



Summary of Legislation 2016

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2016

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For information on legislative revenue and legislative fiscal measures, see:

[Legislative Revenue Office](#)

900 Court Street NE, Room 143
Salem, OR 97301

[Legislative Fiscal Office](#)

900 Court Street NE, Room H-178
Salem, OR 97301

Agriculture and Natural Resources

House Bill 4007

Expanding definition of Rangeland Protection Associations

Rangeland Protection Associations (RPAs) are independent, nonprofit organizations made up of landowners that provide wildland fire protection in rural parts of central and eastern Oregon. There are currently twenty, all-volunteer RPAs operating in Oregon, providing protection for 4.6 million acres of private and publicly owned rangeland. RPAs are traditionally organized by a group of rangeland owners within a rangeland protection system lying wholly outside of any forest protection district and established through the Board of Forestry; this measure authorizes certain county governing bodies to organize and approve RPAs.

House Bill 4007 expands the definition of rangeland protection association to include entities organized with the approval of a county governing body in counties having 200,000 or more acres of rangeland outside of any forest protection district and not currently protected by an existing RPA.

Effective date: March 29, 2016

House Bill 4040

Removing gray wolf from endangered species list

On November 10, 2015, the Oregon Fish and Wildlife Commission voted 4-2 to remove the gray wolf (*Canis lupus*) from the Oregon Endangered Species Act (ESA). The number of gray wolves in Oregon is estimated to be 110 animals, according to the Oregon Department of Fish and Wildlife's 2015 annual wolf report.

Currently, the Oregon Wolf Conservation and Management Plan provides protections for the gray wolf and management is determined by plan phases based on the number of wolves and their distribution across the state. Wolves in eastern Oregon are managed under Phase 2 rules, while wolves in western Oregon are managed under Phase 1 rules. Phase 1 rules provide ESA-like protections until the area of the state has four breeding pairs of wolves for three consecutive years. In 2016, wildlife officials will begin a required review of the plan.

House Bill 4040 ratified the decision by the State Fish and Wildlife Commission to delist *Canis lupus* as a threatened and endangered species.

Effective date: March 14, 2016

House Bill 4046

Changing penalties for wildlife violations

Poaching is the unlawful taking or killing of wildlife in violation of local, state, federal or international law. Activities that are considered poaching include killing an animal out of season, without a license, with a prohibited weapon or in a prohibited manner. Killing a protected species, exceeding one's bag limit or killing an animal while trespassing may also be considered poaching. Oregon is one of two states whose state police are responsible for enforcing fish and wildlife laws.

House Bill 4046 increases penalties for the unlawful taking or killing of certain wildlife. Specifically, the bill requires the Oregon Fish and Wildlife Commission to revoke or deny applications for all licenses, tags and permits issued pursuant to wildlife laws for certain offenses, and requires forfeiture of

all guns, boats, vehicles, traps and other implements used in committing the offense upon a third conviction within a ten-year period. It also prohibits a person from removing and utilizing only certain animal parts, such as the gallbladder from the carcass of a black bear or cougar, or eggs from a sturgeon carcass.

Effective date: January 1, 2017

House Bill 4060

Updating regulation of industrial hemp

Industrial hemp is an agricultural product that is subject to regulation by the Oregon Department of Agriculture (ODA) and refers to cannabis varieties that are grown for fiber, seed, oil or as a cover crop. In 2009, the Legislative Assembly enacted Senate Bill 676 which authorized the production, possession and commerce in industrial hemp and commodities in Oregon. Current regulations require growers to direct seed hemp into outdoor fields (seed, cuttings and clones may not be started indoors or in greenhouses for transplant to fields) that are a minimum of 2.5 acres in size, but there are no requirements about the density of plants, nor are there limits on derivative products. Each noncontiguous field must be individually licensed by ODA and the cumulative THC content of the crop must be below 0.3 percent prior to harvest.

House Bill 4060 updates and clarifies provisions related to the regulation of industrial hemp by removing the field size requirement, authorizing additional propagation methods, and allowing industrial hemp and hemp seed processing at the location where the crop is grown. The bill also authorizes ODA to adopt rules to govern quality, packaging and labeling of industrial hemp seed and permits certain

laboratories to test it. Finally, the measure prohibits registered handlers from selling hemp commodities or products intended for human consumption unless they have been tested by a laboratory to ensure they meet requirements established by the Oregon Health Authority.

Effective date: March 29, 2016

House Bill 4140

Prohibiting sky lanterns

Sky lanterns are small hot air balloons made of paper, with an opening at the bottom where a small fire is suspended. When lit, the flame heats the air inside the lantern, lowering its density, causing the lantern to rise into the air. The sky lantern is usually only airborne for as long as the flame stays alight, after which it sinks back to the ground. Sky lanterns are undirected, free-floating devices containing an open flame or other heat source, subject to Sections 305 and 308 of the Oregon Fire Code, which prohibits their release where they can cause an unwanted fire.

House Bill 4140 prohibits the release of sky lanterns into Oregon's airspace outright.

Effective date: January 1, 2017

LEGISLATION NOT ENACTED

[Senate Bill 1530](#)

Placer mining

In 2013, the Legislative Assembly passed Senate Bill 838 which imposed certain restrictions and conditions on placer mining between January 1, 2014 and January 2, 2016 and set a limit of 850 permits that the Department of State Lands could issue for placer mining during this period. Under the 2013 measure, these restrictions are repealed on January 2, 2016, and a moratorium is imposed until January 2, 2021 on placer mining in specified rivers containing essential indigenous anadromous salmonid habitat or naturally reproducing populations of bull trout.

Senate Bill 1530 would have required certain state and federal agencies to consult to determine whether state and federal mining programs could be better coordinated. The Act also would have extended the moratorium to habitat essential to the recovery and conservation of Pacific Lamprey, clarified the application of the moratorium on tributaries and made changes to regulations authorizing placer mining.

Business and Consumer Protection

House Bill 4020

Modifying requirements that govern investments by the Oregon Growth Board

The Legislative Assembly created the Oregon Growth Board (the Board) with the passage of House Bill 4040 (2012) in order to coordinate the state's economic development efforts under a single umbrella, and concentrate disparate resources through the Oregon Growth Account and the Oregon Growth Fund. Prior to the Board's creation, Oregon's economic development decisions and resources were spread throughout multiple agencies.

The Oregon Growth Board consists of seven voting members with experience in banking, credit union operation, investment management and small business. There are also three nonvoting, *ex officio* members, including state legislators and the Director of the Oregon Business Development Department, as well as the Oregon State Treasurer.

Oregon Revised Statute 284.887 authorizes the Board to contract with multiple management companies and/or state agencies to invest moneys from the Oregon Growth Account and Oregon Growth Fund. These entities are required to commit to investing one dollar in Oregon start-up companies for each dollar received from the Board. This "side letter" requirement has had the unintended consequence of discouraging most of the top-performing private investment funds from partnering with the Board.

House Bill 4020 modifies this provision to specify that the Board may instead impose this requirement by rule.

Effective date: April 4, 2016

House Bill 4038

Allowing cooperative's shareholders to vote electronically

Voting requirements for both shareholders and members of cooperative corporations are set forth in Chapter 62 of the Oregon Revised Statutes. In 2015, Senate Bill 35 was enacted to allow members of cooperatives to vote electronically if permitted by the cooperative's bylaws, but the measure did not address voting by shareholders.

House Bill 4038 allows shareholders of cooperatives to vote by electronic means so long as it complies with Oregon's Uniform Electronic Transactions Act. The measure also clarifies the existing ability of cooperative members to vote electronically, bylaws permitting, if the member consents to receiving an electronic ballot.

Effective date: February 29, 2016

House Bill 4053

Updating brewery and brew-pub licensing

Oregon has a three-tier licensing structure for breweries (manufacturing, distributing and retailing) designed to prevent entities from exerting undue influence over market price or product selection. A malt beverage manufacturer has the option of holding a brewery license or a brew-pub license. In general, a brewery licensee can manufacture and distribute but has limited retail privileges while a brew-pub licensee can manufacture and retail but has limited distribution privileges. Over time the boundaries between the three tiers has eroded to accommodate the needs of the industry. For example, breweries were able

to get around certain retailing limits by obtaining a winery license.

A work group composed of legislators, brewers and distributors met during the 2015 interim to examine which licenses were being used for what purposes, and to consolidate brewery privileges into one license, which resulted in the content of House Bill 4053.

House Bill 4053 expands retail opportunities for brewery licensees to include retailing malt beverage, wine and cider for consumption on or off the licensed premises; selling wine, malt beverages or cider in growlers; and holding a full on-premises sales license, which allows for on-site consumption of distilled spirits. The measure also allows a brewery to hold a special events license but prohibits holding a winery license unless wine or cider is actually being produced. House Bill 4053 further clarifies that brewery licensees must obtain a wholesale license in order to sell or distribute any malt beverage other than its own product or a product brewed by a manufacturer under common control and sold at the primary premises.

Finally, to inhibit blurring of the three tiers, the measure limits to three the total number of retail locations of the brewery licensee, a manufacturer under common control with the brewery licensee, or any of the brewery's or commonly controlled manufacturer's officers, directors, substantial stockholders or substantial equity holders. This limit of three is regardless of the number or type of licenses held by the brewery licensee, manufacturer, officer, director, stock holder or equity holder.

Effective date: January 1, 2017

House Bill 4058

Rejecting shareholder actions for failure to comply with disclosure requirements

Disclosures required for securities transactions are set forth in Chapter 59 of the Oregon Revised Statutes, and in Title 15 of the U.S. Code, §78m(d). (Transactions that are subject to federal regulation are generally exempt from Oregon law.)

Disclosure requirements provide boards of directors with information about the identity of individuals or corporations purchasing blocks of publicly traded stock. Currently, persons acquiring shares in an Oregon company may participate fully as shareholders in the company even if they fail to comply with federal securities laws in the acquisition of their shares. The only requirement is that dissenting shareholders receive fair value for their stock during instances of takeover.

House Bill 4058 allows the board of directors of a corporation to reject specified actions of a shareholder who has not complied with relevant state or federal disclosure requirements, and to accept them once compliance is demonstrated. Actions that may be invalidated include shareholder votes, consent waivers and proxy authorizations.

Effective date: March 14, 2016

House Bill 4094

Cannabis businesses' access to financial services

Because marijuana is a schedule I drug under federal law, offering financial services to marijuana businesses introduces a level of risk for financial institutions not present

with other businesses customers. Even with the legalization of recreational and medical marijuana in several states, including Oregon, businesses in the marijuana industry are challenged finding financial institutions to serve their needs. Without banking services, the industry has few options but to operate on a cash-only basis, including cash payment for inventory, labor, operating expenses and state taxes. The U.S. Department of Justice and the federal Financial Crimes Enforcement Network (FinCEN) have issued guidelines for financial institutions to follow, but no explicit protection from potential criminal liability.

House Bill 4094 is intended to help Oregon's legal marijuana businesses access financial services by exempting financial institutions from certain state criminal laws. The measure also requires the Oregon Liquor Control Commission, the Oregon Health Authority and the Oregon Department of Revenue to provide financial institutions with information about licensees and permit-holders in marijuana programs to enable the institutions to comply with federal guidelines.

The measure also directs the Oregon Department of Consumer and Business Services to study the issue of access to financial services in order to develop options for the future, including banking service models that do not involve financial institutions, and report to the Legislative Assembly by January 1, 2017.

Effective date: April 4, 2016

House Bill 4106

Requiring state agencies to report annually on rulemaking

Oregon Revised Statute 183.335 contains procedures and timelines for public notice of and comment on the adoption, amendment and repeal of administrative rules by state agencies. It also provides for an abbreviated process to put temporary rules in place when certain conditions are met. Temporary rules resulting from the abbreviated process may remain in effect for no more than 180 days.

House Bill 4106 requires state agencies to report to the Legislative Assembly annually by February 1st, on all rulemaking undertaken during the preceding year. For temporary rules, agencies must include a statement of need and an explanation why the abbreviated process was used.

Effective date: January 1, 2017

House Bill 4117

Scaling back the practical skills test for landscape contractors

In 2015, the Legislative Assembly passed House Bill 3304 directing the Landscape Contractors Board (the Board) to offer an alternative to a written test for persons applying for a landscape construction professional license or a limited or specialty license: passing a practical skills test and attending a business practices class instead. The Board was directed to offer the practical skills test and business practices class three times per year, starting no later than September 2016. The Board formed a committee to help implement the new program and the committee recommended using the existing examination for certifying

landscape technicians as the practical skills test. This examination, which is owned by the National Association of Landscape Professionals (NALP), is offered annually by the Oregon Landscape Contractors Association (OLCA). The NALP supports OLCA sharing its license to administer the certification test with the Board.

House Bill 4117 scales back the requirements set forth in 2015. Under this measure, the Board must provide a practical skills test and business practices course only for two types of limited or specialty licenses and not for the landscape construction professional license. Rather than offering the practical skills test and business practices class three times a year, the Board is required to offer them once a year.

Effective date: March 14, 2016

Senate Bill 1589

Modifying eligibility for Credit Enhancement Fund assistance

The Oregon Credit Enhancement Fund (CEF) is a loan insurance program available to lenders to assist businesses in obtaining access to working capital or fixed-asset financing. The program has an enrollment fee typically between 1.25 and 3.5 percent of the insured amount, based on the term and type of the credit. Loan insurance is typically up to 80 percent of the loan amount, with a maximum exposure of \$2 million, with a maximum term of either 15 years or the useful life of assets securing the loan. For lines of credit, insurance is for up to 75 percent of the operating lines of credit, up to \$1.5 million, with an initial term of one year.

Assistance from the CEF is available to existing or proposed Oregon businesses that

meet one of the following qualifications: located in a distressed area; sells goods or services in national or international markets; owns, occupies or operates real property containing a brownfield; has entered into an agreement to own, occupy or operate real property containing a brownfield; or provides services to traded-sector industries and other entities within and outside of Oregon.

Senate Bill 1589 modifies access to CEF assistance by replacing the above qualifications with a requirement that the business be located in Oregon and producing substantial benefits for the state. The term “substantial benefit” is to be defined by rule, by the Oregon Business Development Department through predetermined criteria which could include: traded-sector firms or firms that provide goods and services to traded-sector companies; impacting job creation and/or retention; helping increase or retain revenue; assisting business expansion or access to new markets; improving diversity of the local economy; funding acquisition of fixed assets; buying products or services from Oregon-based companies; locating in a rural community; or revitalization of neighborhoods or communities.

Effective date: April 4, 2016

LEGISLATION NOT ENACTED

House Bill 4077

Updating statutes relating to skiing

Oregon Revised Statutes 30.970 to 30.985 were enacted in 1979 to establish limitations on the liability of ski area operators.

Activities and facilities have evolved considerably since then to accommodate snowboarding and freestyle skiing utilizing jumps and ramps. Improved equipment also enables skiers and riders to enjoy greater access to new terrain.

House Bill 4077 would have updated statutes related to skiing to address modern circumstances and hazards, and establish the duties and responsibilities of both users and operators of ski areas.

House Bill 4122

Genetically engineered goods

House Bill 4122 would have defined genetically engineered fish and established requirements via agency rulemaking for labeling products destined for human consumption, whether packaged or unpackaged.

The measure would also have allowed local governments to prohibit the production and use of genetically engineered seeds and seed products in order to protect non-engineered crops. Local governments are currently barred from enacting or enforcing such prohibitions under Oregon Revised Statute 633.738.

House Bill 4136

Raising the cap on noneconomic damages in wrongful death cases

Oregon Revised Statute 31.710, enacted in 1987, limits the amount of noneconomic damages that may be awarded in wrongful death actions to \$500,000. If the cap were raised to account for inflation since its establishment, it would exceed \$1 million by

2016. A previous attempt to raise the cap was made in 2009, with House Bill 2802.

House Bill 4136 would have raised the cap on noneconomic damages in wrongful death cases to \$1.5 million, and would have required annual adjustments based on the percentage increase or decrease in the cost of living for the previous calendar year as reported in the U.S. Department of Labor's Consumer Price Index.

Education and Workforce Development

House Bill 4002

Statewide plan to address chronic student absenteeism

Chronic absenteeism is generally defined as missing 10 to 20 percent of school days in a year, or roughly 18 to 40 days of school. Chronic absenteeism is connected to persistently low academic performance and increased drop-out rates; outcomes that are further exacerbated if the student is also from a low-income family. Nearly a quarter of Oregon's K-12 students were chronically absent during the 2009-10 school year.

House Bill 4002 directs the Oregon Department of Education (ODE) to develop and implement a statewide plan to address chronic absenteeism in collaboration with the Department of Human Services, the Oregon Health Authority (OHA), and the Early Learning Division, as well as other community and education stakeholders. A report to the Legislative Assembly is required by December 1, 2016.

The measure also directs the Chief Education Office (CEdO) to implement a pilot program, in cooperation with OHA and ODE, that utilizes health services, trauma-informed approaches to education, and intervention strategies that decrease rates of absenteeism. A report to the Legislative Assembly is required by October 15, 2019, and the pilot is repealed January 2, 2020.

Effective date: March 29, 2016

House Bill 4019

Updates to higher education statutes

House Bill 4019 contains several updates to statutes concerning higher education, the only substantive change being an increase in the number of years that a specified nonprofit school must operate in Oregon before being exempt from oversight by the Higher Education Coordinating Commission (HECC), from five to ten.

Additional statutory changes include: clarification of the duties of the Executive Director of HECC's Office of Student Access and Completion; redefinition of "school" to exclude community colleges and public universities from provisions related to diploma mills; including the dependents of military and other service personnel among those eligible for resident tuition despite service-connected absences from the state; and lifting a requirement that affected the rollover of an individual development account into a college savings plan.

Effective date: January 1, 2017

House Bill 4021

Student loan debt refinancing study

The potential economic impact of student loan debt has raised concern among economists. As the total amount owed has exceeded \$1.3 trillion, many debtors have deferred buying homes and starting families. Currently, more than 7.3 million borrowers are at least 90 days delinquent on their student loan payments. Unlike other consumer debt, most student loans may not be refinanced to take advantage of lower interest rates.

Connecticut recently passed legislation directing the Connecticut Higher Education Student Loan Authority to refinance student loans for residents of the state regardless of where they attended college. House Bill 4021 directs the State Treasurer and the Higher Education Coordinating Commission to study the feasibility of implementing a similar program in Oregon and report to the Legislative Assembly by December 1, 2016. The measure requires the study to explore approaches for reducing interest rates on student loans to include identification of funding approaches and a research plan required for implementation.

Effective date: March 14, 2016

House Bill 4057

Identifying successful practices for students designated “in poverty”

House Bill 4057 Directs the Department of Education (DOE) to submit a report to the Legislative Assembly by February 15, 2017, concerning the performance of students from families in poverty, in part to identify effective and promising practices employed by school districts to address their unique challenges.

Currently, under the distribution formula for the State School Fund, a student designated as a “student in poverty” receives an additional 0.25 weight, for a total weighted Average Daily Membership (ADMw) of 1.25. There is very little tracking or reporting related to the additional allocation. In 2015, House Bill 2968 directed school districts to file annual reports with ODE concerning students categorized as living in poverty, and required ODE to report data to the Legislative Assembly. House Bill 4057 builds on these reporting requirements by directing the creation of a report that

connects the additional allocation to the actual practices that educate students designated as “in poverty.”

Effective date: March 1, 2016

House Bill 4076

Support services for Oregon Promise students

Senate Bill 81 (2015) created the Oregon Promise program to waive community college tuition for Oregon students meeting specified criteria. Senate Bill 418 (2015) directed the Higher Education Coordinating Commission to convene a work group to study approaches for improving the transition to college for students receiving Oregon Promise grants.

Based on work group recommendations, House Bill 4076 funds grants to community colleges to improve academic success and completion rates for Oregon Promise students. Priority is to be given to grant applications that implement multiyear strategies incorporating elements of student services and faculty/staff development. The measure includes technical changes to the Oregon Promise program to align its continuing eligibility requirements with those for federal aid programs and to clarify that students from private and parochial high schools may participate.

Effective date: March 29, 2016

Senate Bill 1537

Post-graduate scholar programs

Chapter 327 of the Oregon Revised Statutes governs the financing of elementary and secondary education by the state. School

districts receive funding from the State School Fund on a per-student basis, with extra weight afforded to students with educational challenges such as a disability or limited English proficiency. This calculation is known as the weighted Average Daily Membership (ADMw). Prior to the enactment of Senate Bill 1537, some school districts developed programs wherein students who had satisfied the requirements for a diploma could delay graduation, and attend a community college for at least half of their coursework with the school district paying some or all of the students' tuition, fees and costs. These programs had a variety of names, but were commonly referred to as "5th year" or "Early College" programs. They were funded out of the State School Fund by inclusion of the student participating in the program in the calculation of ADMw.

Senate Bill 1537 establishes criteria for post-graduate scholar programs to replace "5th year"-type programs. Under the text of the bill, school districts may establish post-graduate scholar programs for students who have completed four years of high school and have fulfilled diploma requirements. These students may remain in high school for one additional year and attend community college for college credit. Beginning with the 2016-17 school year, districts receive one ADM weight for each participating student, with the value of the weights decreasing over time, and without additional weighting (e.g., for poverty or special education). By the final year of the bill, the 2017-18 school year, districts will be eligible to receive 75 percent ADMw. Community college courses must be approved by the school district. Students must seek federal student aid to participate, and are ineligible if they qualify for aid equal to or greater than the average cost of tuition. The bill also prescribes requirements

that school districts must follow in order to establish and maintain post-graduate scholar programs, including but not limited to program measurement, monitoring and targeted participation by traditionally underserved students.

Effective date: April 4, 2016

Senate Bill 1540

Study of tuition waivers for Oregon students pursuing mathematics-related degrees

Senate Bill 1540 directs the Higher Education Coordinating Commission to evaluate waiving tuition for community college and public university students pursuing mathematics-related degrees, and requires a report to the Legislative Assembly no later than January 15, 2017.

Tuition prices have increased dramatically across the nation. The College Board reported that the average published tuition and fee price tag for a full-time year at a four-year public institution was 40 percent higher in 2015-16 than it was in 2005-06, after adjusting for inflation. The average published price is 29 percent higher in the public two-year sector and 26 percent higher in the private, nonprofit four-year sector than a decade ago. States are increasingly exploring the affordability of post-secondary education and enacting laws to provide increased access to affordable opportunities.

Effective date: March 3, 2016

Senate Bill 1541

Study of expenditure variations among school districts

Oregon's school finance system combines state, local and federal revenue to support 197 school districts and 19 education service districts (ESDs). Most state revenue is distributed to school districts and ESDs by a school distribution formula. Local revenue is raised by or flows to local school districts. Federal revenue is allocated to school districts primarily based on eligibility for federal education programs. The Legislative Assembly appropriates money to schools from two main sources: income taxes out of the General Fund and lottery receipts. This money generally makes up the State School Fund.

Senate Bill 1541 requires the Oregon Department of Education, in consultation with the Chief Education Office, to conduct a study on expenditure variations among school districts and report to the Legislative Assembly no later than December 15, 2016.

Effective date: April 4, 2016

Senate Bill 1558

Protecting college student health records

Oregon has a variety of laws governing the collection, maintenance of and access to patient medical records. Chapter 192 of the Oregon Revised Statutes governs medical records generally, but there are many other applicable statutes, as well as administrative rules. Extensive federal laws and rules also apply, most notably the Health Insurance Portability and Accountability Act of 1996, commonly referred to as "HIPAA."

Senate Bill 1558 prohibits disclosure of student medical records by a student health center, mental health center or counseling center. Prior to the enactment of the bill, it was possible to construe certain student health records as governed by the Family Educational Rights and Privacy Act of 1974 (FERPA), instead of HIPAA, permitting interoffice sharing of records throughout a college or university. The measure prohibits that practice in Oregon.

Effective date: March 3, 2016

Senate Bill 1566

Extension of sunset on "open enrollment" admission program

Currently, there are three main methods by which a student may attend public school in a school district that is not the student's resident district: interdistrict transfer (consent); contract (tuition); and open enrollment. House Bill 3681 (2011) created the "open enrollment" transfer option. An open enrollment transfer only requires that the school district receiving the applicant agree to receive transferring students. Unlike the traditional interdistrict transfer, an open enrollment transfer does not require the "sending" district to consent to the transfer. The open enrollment option is scheduled to be repealed July 1, 2017.

Senate Bill 1566 extends the sunset to keep the open enrollment alternative in effect through 2019.

Effective date: March 15, 2016

LEGISLATION NOT ENACTED

[Senate Bill 1526](#)

Funding youth work experience programs

One of the primary factors businesses consider when locating or expanding operations is the availability of a skilled, educated workforce. For the last two decades, youth and young adults have not been entering the labor force at the same rates that have been seen previously. The Oregon Employment Department attributes the decline to two primary factors: a growing number of adults are working in the jobs traditionally held by youth and young adults, and there is an increased emphasis on attending post-secondary education and training programs. Work experience helps youth and young adults develop the soft skills that are important in the workplace. Work experience also puts young adults with families to support on an early path to self-sufficiency. Supporters of youth programs note that youth who have work experience are more likely to graduate and less likely to engage in criminal conduct.

Senate Bill 1526 would have appropriated \$9 million from the General Fund to the Higher Education Coordinating Commission for the Office of Community Colleges and Workforce Development to support youth work experience programs.

Elections and Ethics

House Bill 4134

Changing requirements for lobbyists

House Bill 4134 shortens the time frame during which lobbyists are required to file a registration statement with the Oregon Government Ethics Commission (OGEC) from within ten business days to within three, of commencing or ceasing representation of the client. The measure also requires the OGEC to make lobbyist registrations and updates publicly available on the Internet within one calendar day of receipt.

In addition, the measure requires the official authorization to lobby to be signed within 10 days after the lobbyist files a statement, and permits lobbyists to withdraw registration unilaterally once per calendar year, if done within 10 calendar days of filing the registration statement and before the official authorization to lobby has been signed.

Effective date: April 4, 2016

Senate Bill 1501

Maintaining the status of minor political parties

When Oregon's Motor Voter law was adopted in 2015, there was uncertainty about how the increase in registered voters might impact political parties, both major and minor, and their ability to maintain access to the ballot. Senate Bill 1501 sets specific dates, prior to the operative date of the Motor Voter law, for minor political parties to use when determining ballot access.

A minor political party can maintain ballot access in one of two ways: first, by showing membership equal to at least one-tenth of

one percent of the total votes cast in the state or electoral district for all candidates for Governor at the most recent election at which a candidate for Governor was elected to a full term and in receipt of one percent of the vote for statewide office; or alternatively, by showing membership equal to one-half of one percent of the total number of registered electors in the state.

Senate Bill 1501 establishes July 1, 2015, as the date to determine the total number of registered voters for purposes of maintaining minor political party status through the 2018 General Election for those parties that use the latter method, and November 4, 2014, as the date to determine the total number of votes cast in the state or electoral district for Governor, for minor political parties that use the former method.

Effective date: April 4, 2016

Senate Bill 1586

Relating to increasing voter registration access and information on college campuses

Senate Bill 1586 directs the Secretary of State (SOS) and public universities and community colleges to take specific actions to improve student access to voter registration resources and information. The SOS is required to designate at least one official ballot drop site within four miles of a public university's or community college's main campus. Public universities and community colleges are required to: link to the SOS's online voter registration tool via the Internet or any appropriate student-focused digital communication network managed by the school; give the school's official student government or equivalent an opportunity to provide nonpartisan voter registration information as part of student orientation programs or

activities; provide professional contact information to student government upon request, for the purpose of contacting faculty to seek permission to make nonpartisan voter presentations in classrooms; provide an opportunity for students and student groups to provide nonpartisan registration services in non-reserved public spaces on school property; and, if the school owns or operates student housing, it must work with the local county elections office three months prior to primary and general elections to obtain address information for students living on campus to receive ballots and make information available to the student government.

College students may have difficulty finding information regarding voting as they move to a new community to attend school. These challenges include: not knowing voter registration rules and deadlines, not having acceptable identification for voter registration or voting purposes, and confusion about where to vote. Community colleges and universities are already required by law to encourage students to register and to vote (Senate Bill 951 (2007)); Senate Bill 1586 builds on that general obligation by specifying actions they must take.

Effective date: April 4, 2016

Senate Bill 1599

Maintaining the status of major political parties

When Oregon's Motor Voter law was adopted in 2015, there was uncertainty about how the increase in registered voters might impact political parties, both major and minor, and their ability to maintain access to the ballot. Senate Bill 1599 sets specific dates, prior to the operative date of Oregon's

Motor Voter law, for major political parties to use when determining ballot access for a set period of time.

A major political party initially qualifies as such and then maintains its status by demonstrating membership equal to at least five percent of the total number of registered voters in the state no later than the 275th day before the date of each primary election. Currently, Oregon has three political parties that qualify as major political parties.

Senate Bill 1599 establishes July 1, as the date to determine the total number of registered electors for the purpose of maintaining status as a major political party through the 2018 General Election.

Effective date: January 1, 2017

LEGISLATION NOT ENACTED

House Joint Memorial 201

Addressing campaign finance reform at the federal level

House Joint Memorial 201 would have urged Congress to call a constitutional convention in order to propose amendment of the United States Constitution to address the impact of corporate personhood on political contributions and expenditures.

Corporate personhood is a legal construct that permits corporations to sue and be sued in court in the same way as natural persons or unincorporated associations of persons. This construct provides the underlying rationale for corporations, as groups of people, to hold and exercise certain rights. Corporations are not "people" in the

ordinary sense of the word, but they have all the same rights as citizens.

Constitutional protections have been extended to corporations as a result of court interpretations of the word “person” in the Fourteenth Amendment. The basis for allowing corporations to assert Constitutional protections is that they are organizations of people, and people should not be deprived of their Constitutional rights when they act collectively. Treating corporations as “persons” not only allows corporations to sue and to be sued, but also provides for easier taxation and regulation of a single entity, simplifies complex transactions which could otherwise potentially involve thousands of people, and protects the individual rights of shareholders as well as the right of association generally. (C corporations are not generally able to claim Constitutional protections which would not otherwise be available to persons acting as a group.)

In *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), the Supreme Court reasoned that because a corporation is made of natural persons who have First Amendment rights, a corporation may have First Amendment rights, and held that the government may not restrict political speech in the form of independent political expenditures by corporations and unions. Without limits on political spending, corporations have far greater influence on the political process than ordinary individuals. This and other decisions of the Court have been criticized as arguably eroding the principles of representative democracy in America.

House Joint Resolution 203

Addressing campaign finance reform at the state level

House Joint Resolution 203 would have referred to voters an amendment to the state constitution to permit the Legislative Assembly, or the people through the initiative process, to enact laws limiting or prohibiting contributions made in connection with campaigns for nomination or election to public office. The measure would have enabled amendment of Section 8, Article II which governs the regulation of elections by the Legislative Assembly.

The Oregon Supreme Court has found that limits on contributions to political campaigns generally violate the Oregon Constitution. The issue was first considered by the Court when reviewing Ballot Measure 9 in 1994, which limited campaign contributions by individuals and political action committees (PACs) in legislative and statewide races. Then in *VanNatta v. Keisling*, 324 Or. 514; 931 P.2d 770 (1997), the Court found that campaign contributions were a form of speech protected by the state constitution and that it would have to be amended to allow any limits. In 2006, two companion ballot measures were referred to voters to accomplish contribution limits: Ballot Measure 46 to amend the constitution and Ballot Measure 47 containing the limits to be imposed. Voters only approved the latter, which led to the Court hearing *Hazell v. Brown*, 352 Or. 455 (2012). The Secretary of State and the Attorney General had determined that since Ballot Measure 46 was not approved, to permit the legislature or the people to enact limits on campaign contributions and spending, then the limitations contained in Ballot Measure 47 could not be enforced. The Court agreed, concluding that the limits approved by voters were inoperative alone; according to the plain text of the measure itself, the limits were dormant.

Oregon is currently one of 12 states that does not have contribution limits on individual donors for state candidates, and one of six states with no limits or prohibitions on any type of donor.

Emergency Preparedness

House Bill 4075

Creating a school safety tip line

In 2014, House Bill 4087 created the Oregon Task Force on School Safety (the Task Force), composed of first responders, school administrators, teachers, and policy advisors on public safety, to examine school safety and incident response models and the appropriateness of statewide standardization. The Task Force recommended establishing a statewide tip line for reports of threats to student safety.

House Bill 4075 establishes that tip line and repeals a tip line administered by the Department of Justice. It appropriates \$1 million for implementation and requires a line capable of receiving telephone calls, text messages or electronic communications via the Internet. It also authorizes the Oregon State Police to develop rules governing how tips are processed and relayed to others, while protecting the user's identity.

Effective date: March 29, 2016

Senate Bill 1523

Grant program for access to fuel in an emergency

In a catastrophic disaster such as an earthquake along the Cascadia subduction zone, infrastructure and utilities, including electricity and liquid fuel lines, will be destroyed or incapacitated. Emergency response personnel may be limited to whatever fuel they have immediately on-hand, which could be exhausted within the first one to three days.

Liquid fuel is stored in various facilities located across the state, in varying capacities, both above and below ground, and energy is required to pump the fuel out. Many emergency response entities possess generators that could be used to pump fuel out of a storage facility during a power outage, but not all generators are capable of connecting to all fuel storage tanks.

Senate Bill 1523 is the product of work group activity that included private fuel companies, the Office of Emergency Management (OEM) and the Oregon Department of Transportation (ODOT). It enables OEM and ODOT to develop a short-term grant program to target large-capacity fuel storage locations along critical routes, and distribute funds for the installation of connectors that are compatible with generators used by specific personnel to enable the withdrawal of fuel in an emergency.

Effective date: March 29, 2016

Energy

House Bill 4037

Program to encourage solar energy projects

Solar energy technologies produce electricity from the energy of the sun. The most commonly used solar technologies are solar water heating, passive solar design for space heating and cooling, and solar photovoltaic for electricity.

House Bill 4037 directs the Oregon Business Development Department to establish a program to encourage the development of solar energy projects in Oregon with a nameplate capacity of between two and 10 megawatts. A project enrolled in the program will receive a monthly payment of one-half cent per kilowatt hour of electricity generated for a period of five years. Project owners or operators must submit a plan to complete construction and begin generating electricity within one year of enrollment. The program closes to new applicants when either a cumulative nameplate capacity of 150 megawatts is achieved, or on January 2, 2017, whichever is earlier.

Effective date: March 16, 2016

Senate Bill 1547

Transitioning from coal to clean electricity

The Oregon Renewable Portfolio Standard (RPS) was first enacted in 2007 (Senate Bill 838). The measure directed Oregon utilities to satisfy a percentage of their retail electricity needs with qualifying renewable resources. For Oregon's three largest utilities (Portland General Electric, PacifiCorp and the Eugene Water and Electric Board), the standard started at five percent in 2011, increased to 15 percent in 2015, 20 percent in 2020, and 25 percent in

2025. Other electric utilities in the state, depending on size, were required to meet a standard of either five or 10 percent by 2025.

Senate Bill 1547 requires Oregon electric companies to eliminate coal-fired resources from their electricity supply on or before January 1, 2030. The measure revises the state's large utility RPS to require that at least 50 percent of electricity sold by those utilities in 2040 be from qualifying renewable resources, with corresponding increases in earlier years. In addition, eight percent of the aggregate electrical capacity of utilities making sales of electricity to 25,000 or more Oregon consumers must be from small-scale renewable energy projects and/or facilities that generate thermal energy for a secondary purpose. The measure changes how renewable energy certificates may be banked and used and establishes a community solar program. After January 1, 2020, the Public Utility Commission is directed to investigate and report to the Legislative Assembly on the impact of the changes to the RPS on rates, greenhouse gas emissions, electrical system reliability and operations, and other related topics.

Effective date: March 8, 2016

Environment

LEGISLATION NOT ENACTED

House Bill 4125

Identifying ground water contaminant areas and landlord testing of ground water

Approximately 23 percent of Oregonians rely on domestic or private wells as their primary source of drinking water. Oregon Revised Statute 448.271 requires testing of domestic well water for arsenic, nitrates and total coliform bacteria at the time of property sale or exchange. The seller is required to provide test results to the Oregon Health Authority (OHA) and the buyer within 90 days of receipt.

House Bill 4125 would have directed OHA to analyze the results of ground water tests conducted at the time of a property sale or exchange to identify areas with ground water contaminant problems and provide ground water contaminant education in those areas. The measure would also have required landlords whose properties relied on wells for drinking water to collect and test samples for arsenic, total coliform bacteria and nitrates according to a specified schedule, and to notify tenants at specified times. The landlord testing requirement did not apply to community water systems or manufactured or floating homes.

Senate Bill 1574

Healthy Climate Act of 2016

The Legislative Assembly adopted greenhouse gas reduction goals in 2007 with the passage of House Bill 3543. The goals called for the state to begin to reduce

greenhouse gas emissions by 2010 and to achieve greenhouse gas levels 10 percent less than 1990 levels by 2020 and 75 percent below 1990 levels by 2050.

Senate Bill 1574 would have directed the Environmental Quality Commission to adopt enforceable limits on greenhouse gas emissions and begin operating a carbon pollution market in Oregon on January 1, 2020. A cap would have set the total greenhouse gas emissions allowed from covered entities during a calendar year and a schedule would have been established to lower the cap each year. Participants in the carbon pollution market would have included emission sources that met or exceeded 25,000 metric tons of carbon dioxide each year. Proceeds from the auction of emission allowances would have been deposited in a Climate Investments Fund and Just Transition Fund.

Government

House Bill 4009

Minoru Yasui Day

Minoru Yasui was born in Hood River, Oregon in 1916. Minoru Yasui became the first Japanese American to graduate from the University of Oregon School of Law and to be admitted to the Oregon State Bar. In February, 1942, President Franklin D. Roosevelt issued Executive Order 9066 (Order) which led to the incarceration of 120,000 Japanese Americans during World War II. On March 28, 1942, Minoru Yasui deliberately challenged a military curfew imposed under the Order by walking the streets of Portland, Oregon, and turning himself in to the police to test the constitutionality of the regulations. Minoru Yasui lost his case in federal court and spent nine months in solitary confinement awaiting his appeal to the United States Supreme Court, which eventually ruled against him. Upon release he was incarcerated in the Minidoka War Relocation Center in Idaho until June, 1944.

In September, 1944, Minoru Yasui moved to Denver, Colorado, where he practiced law and helped found and participated in many organizations. Minoru Yasui helped build and lead the movement seeking an official apology and reparations for the injustices against Japanese Americans during World War II. His efforts led to the passage of the Civil Liberties Act of 1988, two years after his death, which granted a redress of \$20,000 and a formal apology to every person of Japanese ancestry incarcerated during World War II as well as the establishment of the Civil Liberties Public Education Fund. House Bill 4009 designates March 28th of each year as Minoru Yasui Day.

Effective date: March 28, 2016

House Bill 4014

Changes to marijuana regulation

House Bill 4014 makes a series of changes to the laws regulating the production, processing, sale, transfer or use of marijuana. These changes include repealing the two-year residency requirement, changing the classification of criminal penalties relating to specified marijuana crimes, and allowing medical marijuana growers, processors and retailers to transfer medical marijuana inventory into the recreational market when becoming an Oregon Liquor Control Commission licensee. The measure also requires the Oregon Health Authority to approve or deny medical marijuana registration applications within 30 days of receipt and to conduct a youth prevention pilot project in an urban and a rural area of the state.

In 1998, Oregon voters approved Ballot Measure 67 to allow medical use of marijuana under a specific regulatory scheme. In 2014, Oregon voters passed Measure 91 allowing for recreational use of marijuana for people 21 and older, under a different regulatory scheme. Both schemes were modified during the 2015 legislative session to include requiring licensees in the recreational system or registrants in the medical system to be Oregon residents for at least two years.

Effective date: March 3, 2016

House Bill 4020

Modifying requirements that govern investments by the Oregon Growth Board

The Legislative Assembly created the Oregon Growth Board (the Board) with the

passage of House Bill 4040 (2012) in order to coordinate the state's economic development efforts under a single umbrella, and concentrate disparate resources through the Oregon Growth Account and the Oregon Growth Fund. Prior to the Board's creation, Oregon's economic development decisions and resources were spread throughout multiple agencies.

The Oregon Growth Board consists of seven voting members with experience in banking, credit union operation, investment management and small business. There are also three nonvoting, *ex officio* members, including state legislators and the Director of the Oregon Business Development Department, as well as the Oregon State Treasurer.

Oregon Revised Statute 284.887 authorizes the Board to contract with multiple management companies and/or state agencies to invest moneys from the Oregon Growth Account and Oregon Growth Fund. These entities are required to commit to investing one dollar in Oregon start-up companies for each dollar received from the Board. This "side letter" requirement has had the unintended consequence of discouraging most of the top-performing private investment funds from partnering with the Board.

House Bill 4020 modifies this provision to specify that the Board may instead impose this requirement by rule.

Effective date: April 4, 2016

House Bill 4093

Creating a funding stream for courthouse improvements

The Oregon Courthouse Capital Construction and Improvement Fund was established in 2013 for improvements to courthouses with significant structural defects that present safety risks. The State Treasurer may issue up to \$15 million in Article XI-Q bonds for these projects, subject to the approval of the Chief Justice of the Oregon Supreme Court and the Department of Administrative Services. Agreements between counties and the state for courthouse projects may require counties to contribute at least 50 percent of the total estimated cost of the project. Projects to repair or replace courthouses have been approved in Multnomah, Jefferson and Tillamook counties.

House Bill 4093 allows courts to impose a surcharge of up to \$5 on fines for parking violations and traffic offenses to pay capital costs or debt payments for courthouse projects that are funded in the state budget. The revenue from the surcharge accrues to the county and is dedicated to the courthouse project.

Effective Date: March 29, 2016

House Bill 4135

Fulfilling agency public records requests electronically

House Bill 4135 directs the Oregon Department of Administrative Services (DAS) to develop standards, protocols and procedures for use by executive branch agencies when fulfilling requests for public records in electronic form. For records in its custody, the measure requires DAS to coordinate efforts of executive branch agencies satisfying requests electronically; and for records *not* in its custody, the measure requires DAS to provide technical assistance.

Current public records laws include: an overview of how state agencies should retain records and respond to public records requests; authorization for agencies to charge fees and set turnaround times; and identification of records that may be exempt from disclosure. Oregon law also allows public bodies to establish fees for reimbursement of the actual cost of making records available, including the cost of summarizing, compiling or tailoring the records to meet the request, staff time and in some cases, attorney time as well.

In 2015, the Legislative Assembly passed Senate Bill 9 requiring the Secretary of State to conduct a performance audit of state agency records retention and disclosure practices. The audit, released in November 2015, examined numerous issues, and sampled nine state agencies of various sizes and scope. It concluded with a series of recommendations regarding best practices for the receipt and management of public records requests, including centralizing statewide guidance and training with the Department of Administrative Services.

Effective date: March 14, 2016

Senate Bill 1511

Improving access to medical and recreational marijuana

Under current Oregon law, there are two separate regulatory systems through which marijuana is produced, processed, transferred and sold: the Oregon Medical Marijuana Program (OMMP) administered by the Oregon Health Authority (OHA), and marijuana that is available for adult recreational use regulated by the Oregon Liquor Control Commission (OLCC). Preliminary data shows significant migration

of OMMP's medical growers, caregivers and dispensaries over to the OLCC-run system that governs recreational marijuana, potentially leaving many of the over 77,000 OMMP patients without a grower, caregiver or dispensary.

Senate Bill 1511 has several provisions that allow greater access to both systems for registrants, OLCC license holders and the general public, including allowing OLCC licensees the ability to produce, process, transfer or sell marijuana to medical cardholders, processors and dispensaries. The measure also allows medical marijuana dispensaries currently selling to recreational users, to sell edibles and prefilled vaporizer cartridges containing cannabinoid extracts, and requires all products to be tested pursuant to OHA rule prior to sale.

Effective date: March 29, 2016

Senate Bill 1569

Establishing a Joint Legislative Policy and Research Committee

Senate Bill 1569 establishes the Legislative Policy and Research Committee (LPRC) as a joint committee of the Legislative Assembly. It is composed of an equal number of majority and minority party members including the Speaker of the House and the President of the Senate.

Senate Bill 1569 effectively renames and expands the scope of Committee Services, separating it from its current location within the Legislative Administration Committee (LAC), and transferring some of LAC's functions by the 2017-19 biennium. The measure charges the LPRC with preparing and assisting in the preparation of legislative research, facilitating the development of legislative policy, and providing advice and

assistance to legislative committees. The LPRC is responsible for: overseeing the coordination and support of clerical and administrative services to legislative standing and interim committees; providing research facilities and services to members and committees of the legislature; providing administrative staff assistance required by the financial estimate committee and explanatory statement committee; providing staff support to certain task forces including the Sister State Committee and the Oregon-China Sister State Committee.

Senate Bill 1569 resulted from the efforts of a bipartisan group of legislators from both chambers that met during 2014-15 to examine and discuss models for improving the legislature's policy development capacity. The group was assisted by outside consultants who interviewed legislators and held round-table discussions with staff. The work group's activity, discussions and several models for consideration were outlined in a report entitled, "Enhancing Independent Policy Research for the Oregon State Legislature."

Effective date: March 29, 2016

Senate Bill 1598

Relaxing requirements for some small-scale marijuana producers and processors

Senate Bill 1598 removes the land use compatibility statement requirement for small-scale marijuana producers growing outside city limits who registered with the Oregon Health Authority prior to January 1, 2015. Senate Bill 1598 also deems marijuana a farm crop for purposes of right-to-farm laws while allowing local governments to adopt ordinances enacting reasonable regulations. The measure also allows marijuana processors to receive

usable marijuana from Oregon Medical Marijuana Program patients, process it and deliver it back to the patient.

Under prior Oregon law, all applicants seeking to become licensed marijuana producers by the Oregon Liquor Control Commission (OLCC) were required to obtain a land use compatibility statement from their local government, and OLCC processors were only able to receive or distribute marijuana from other OLCC licensees.

Effective date: March 3, 2016

Senate Bill 1601

Addressing taxation issues for medical marijuana users and businesses

Senate Bill 1601 allows Oregon Medical Marijuana Program (OMMP) cardholders to purchase marijuana tax free. The measure also allows medical marijuana businesses to claim the same allowable business deductions as recreational licensees. Finally, the measure prohibits marijuana retailers from bundling products.

Under prior Oregon law, marijuana purchased from a recreational marijuana retailer by an Oregon Medical Marijuana Program (OMMP) cardholder was taxed at 17 percent. Oregon law also provided that only licensed recreational producers, processors, wholesalers and retailers could claim business deductions otherwise allowable under federal law on their state taxes. Finally, there were no provisions prohibiting licensed marijuana retailers from bundling overpriced marijuana products not taxed at 17 percent with underpriced products for the purpose of avoiding taxes.

Effective date: June 2, 2016

LEGISLATION NOT ENACTED

House Bill 4004

Placing statues of Chief Joseph and Mark Hatfield in National Statuary Hall

House Bill 4004 would have provided for the commissioning, transportation and placement of statues of Chief Joseph and Mark Odom Hatfield with the National Statuary Hall Collection in the United States Capitol Building, and returning statues of John McLoughlin and Jason Lee for installation in the state of Oregon.

The National Statuary Hall Collection is comprised of statues donated by individual states to honor persons notable in their history. The entire collection now consists of 100 statues contributed by 50 states. Each statue is a gift of the state, not of individuals or groups. The Joint Committee on the Library of Congress (the Committee) oversees the collection, and under the Committee's direction, the Architect of the Capitol is responsible for each statue's reception, placement and care. A state may request the Committee's approval to replace a statue it has provided for display in Statuary Hall under two conditions: if the request has been approved by a resolution adopted by the state's legislature and Governor, and if the statue to be replaced has been displayed for at least 10 years.

In 2014, the Statuary Hall Study Commission (the Commission) was created by Executive Order #14-11 to study and recommend to the 2015 Legislative Assembly whether to replace one of Oregon's statues in the National Statuary

Hall Collection, and, if replacement was recommended, to identify the Oregonian to be memorialized therein, and the Oregonian to be returned home. The Commission recommended that statues of both Dr. John McLoughlin and Jason Lee be brought home and replaced with statues of Abigail Scott Duniway and Chief Joseph.

House Bill 4011

Improving retirement benefits for Oregon State Hospital employees

Members of the Public Employees Retirement System (PERS) are either classified as General Service or Police and Fire (P&F). Examples of qualified P&F positions include certain Department of Corrections employees, Oregon State Police officers, city and county police and sheriffs, parole and probation officers, the state and deputy state fire marshal and persons employed by cities, counties or districts whose duties involve firefighting. All other qualifying positions are classified as General Service. The advantage of being classified as P&F is that such employees can retire at an earlier age and with a higher benefit.

House Bill 4011 would have reclassified employees of the Oregon State Hospital over a four-year period as "police officers" for PERS purposes. P&F benefits would have applied only to employment on or after the operative date of the employee's reclassification. In the first phase, P&F benefits would have applied to employees who are statutorily prohibited from going on strike or those employed as registered nurses or licensed practical nurses. The second phase reclassified certain physicians and employees required to be in areas populated by patients in order to perform the primary functions of their job. The final phase would

have reclassified all employees of the State Hospital.

House Bill 4130

Standardized processing of public records requests

Current public records laws include: an overview of how state agencies should retain records and respond to public records requests; authorization for agencies to charge fees and set turnaround times; and identification of records that may be exempt from disclosure. Oregon law also allows public bodies to establish fees for reimbursement of the actual cost of making records available, including the cost of summarizing, compiling or tailoring the records to meet the request, staff time, and in some cases, attorney time as well. Rather than impose specific deadlines, Oregon law requires agencies to acknowledge receipt of requests and to respond “as soon as practicable and without unreasonable delay.”

House Bill 4130 would have required state agencies, the Legislative Assembly and political subdivisions to retain public records for a minimum of two years. It would also have standardized a timeline for public bodies to acknowledge receipt of requests, and to satisfy them (or assert that the records were exempt from disclosure) within 30 days unless the public body communicated an estimated time when the records would be disclosed or an exemption claimed. Finally, the measure would have prohibited public bodies with 10 or more full-time equivalent employees from charging a fee of more than \$30 per hour.

Senate Bill 1579

Disclosing legal advice provided to state agencies

A state agency must provide notice to the public of its intent to adopt, amend or repeal any agency rule, and Oregon Revised Statutes specify what information must be contained in the notice. One existing requirement is a list of the principal documents, reports or studies that were prepared or used by the agency as it considered the need for the rule.

Senate Bill 1579 would have required state agencies to include a summary of any legal advice received by the agency regarding the validity or effect of the rule change. In addition, the measure would have required any state agency issuing a written order to include with it a summary of any legal advice regarding the order’s validity or effect.

Health Care

House Bill 4016

Streamlining the Health Professionals' Services Program (HPSP)

Oregon's Health Professionals' Services Program (HPSP) is a monitoring program for health professional licensees with substance use disorders, mental health disorders or both. Currently, the Board of Dentistry, the Board of Nursing, the Board of Pharmacy and the Medical Board participate in the HPSP. Since 2010, the Oregon Health Authority (OHA) has administered the HPSP through contracts with third-party vendors and the four participating boards cover the costs.

House Bill 4016 removes OHA as the administering entity and permits health licensing boards to work together to coordinate the continuing administration of the program beginning in the 2017-19 biennium. In addition, the bill establishes a work group called the Impaired Health Professional Program Work Group to facilitate this change and to continue the administration of the program.

Effective date: March 1, 2016

House Bill 4017

Development of a Basic Health Program

The Basic Health Program (BHP) is a health coverage option for individuals with incomes between 138 and 200 percent of the federal poverty level (FPL) and individuals between zero and 200 percent FPL who are lawfully present in the United States but who do not qualify for Medicaid due to their immigration status.

House Bill 4017 directs the Department of Consumer and Business Services (DCBS), in collaboration with the Oregon Health Authority and in consultation with a stakeholder advisory group, to develop and present to the Legislative Assembly, a blueprint for a BHP as defined in the Code of Federal Regulations by December 31, 2016. The measure also designates DCBS as the sole state agency authorized to request a state innovation waiver from the U.S. Department of Health and Human Services under the Affordable Care Act (ACA) for the implementation of a BHP, and requires DCBS to make recommendations to the Legislative Assembly regarding the submission of such a request by March 1, 2017. (State innovation waivers allow states to provide access to quality health care that is at least as comprehensive and affordable as would otherwise be provided, to cover a comparable number of state residents as would be covered absent a waiver, and does not increase the federal deficit.)

Effective date: March 8, 2016

House Bill 4030

Reimbursement for Emergency Medical Services

Oregon's Emergency Medical Services (EMS) system is made up of public-sector EMS providers (fire departments/districts) and private-sector ambulance companies. The Oregon Health Authority (OHA) has reported that since the Medicaid enrollment expansion in January 2014, approximately 436,000 Oregonians have obtained coverage, which is a 71 percent increase since 2013.

Historically, EMS and transportation providers have expressed concern that Medicaid reimbursement does not

adequately cover the cost of services. This concern is exacerbated by individuals who request services for non-emergencies because Medicaid health plans deny payment for non-emergencies and EMS personnel cannot refuse non-emergency requests under federal law (the Emergency Medical Treatment and Labor Act).

House Bill 4030 directs OHA to develop and implement two programs to improve reimbursement to EMS and transportation providers:

1. A fee-for-service program in which public EMS providers may participate on a voluntary basis. Participating providers would receive a supplemental payment equal to the amount of a federal match received based on the provider's costs.
2. A Coordinated Care Organization (CCO) program in which OHA establishes and maintains an intergovernmental transfer of funds. Participating EMS providers who receive reimbursements from CCOs pay a fee to OHA not to exceed 20 percent of the costs of services provided to CCO members.

The measure also directs OHA to convene a work group to develop recommendations to align these two programs with the goals of the Oregon Integrated and Coordinated Health Care Delivery System.

Effective date: March 14, 2016

House Bill 4071

Premium Assistance Program for Compact of Free Association (COFA) islanders

After World War II, the U.S. assumed administration of the Trust Territory of the

Pacific Islands. The Trust controlled the development of the island economies and international relations. In 1986, the island nations under the Trust Territory were given the option of choosing between becoming a commonwealth of the U.S. or independent nations with special agreements with the U.S.; three Island territories chose independence. Independence came with a unique treaty, known as the "Compact of Free Association (COFA)." COFA agreements were made between the U.S. and the Republic of the Marshall Islands, the Republic of Palau and the Federated States of Micronesia. The COFA agreements allow the citizens from each of these nations to freely migrate, without work permits or visas, to study, live and work in the U.S. It also allows the U.S. to have a military presence in the COFA islands in perpetuity.

House Bill 4071 establishes the COFA Premium Assistance Program administered by the Department of Consumer and Business Services to provide financial assistance for the payment of health care premiums and out-of-pocket costs for Pacific Islanders legally residing in Oregon under a COFA agreement. While COFA allows these individuals to immigrate to the United States legally without a visa or work permit, they are ineligible for federal health services, including Medicaid. The goal of the COFA Premium Assistance Program is to help COFA Pacific Islanders acquire health insurance through the Oregon Health Marketplace and to pay premiums and out-of-pocket costs associated with those plans.

Effective date: April 4, 2016

House Bill 4095

Board of Dentistry removal of disciplinary information

The Oregon Board of Dentistry (the Board) was created in 1887 to protect the public by assuring that the citizens of Oregon receive quality oral health care, to administer the Dental Practice Act and Board rules and to establish standards for licensure. Currently, the Board posts disciplinary information on its website only when it has voted to discipline a licensee, and a consent order has been signed by the licensee and the Board president. Complaints and investigations alone are not public records under current Oregon law.

House Bill 4095 requires the Board, at the request of an individual who has been disciplined, to remove from its website and other publicly accessible print and electronic publications, information related to disciplinary action if the following criteria are met: 1) the violation occurred over 10 years ago; 2) the violation did not harm patients (financially or physically); 3) the violation was self-reported to the Board; 4) the individual has not had another violation since; and 5) the individual fully complied with all disciplinary sanctions imposed by the Board.

Effective date: March 14, 2016

House Bill 4105

Requiring notice when pharmacies dispense biological products

Biological products can be composed of sugars, proteins, or nucleic acids, or a combination of these substances, and may include live cells or tissues. Biologics

(biological drugs) are made from a variety of natural resources – human, animal and microorganism – and may be produced using biotechnological methods. Gene-based and cellular biologics have the potential to treat a variety of medical conditions, including illnesses for which no other treatments are available. Biological products are capable of replicating natural substances such as enzymes, antibodies and hormones. A biosimilar product is defined by the U.S. Food and Drug Administration (FDA) as a type of biological product licensed (approved) by the FDA because it is similar to a biological product that is already FDA-approved (known as the biological reference product), and it has been shown to have no clinically meaningful difference from the reference product.

House Bill 4105 requires a pharmacy or pharmacist that dispenses a biological product to communicate specified information in a notice to the prescribing practitioner within five business days. The measure also directs the Board of Pharmacy to adopt certain rules. The notification requirement is scheduled to be repealed January 2, 2022.

Effective date: March 14, 2016

House Bill 4107

Coordinated Care Organizations contract terms

The coordinated care model was implemented in Oregon in the form of Coordinated Care Organizations (CCOs) in 2012. A CCO is a network of all types of health care providers (physical health care, addictions and mental health care, and sometimes dental care providers) who have agreed to work together in their local communities to serve people who are

covered by the Oregon Health Plan (OHP-Medicaid). CCOs are focused on prevention and helping individuals manage chronic conditions, like diabetes. Currently, there are 16 CCOs operating in communities around Oregon. The CCOs are paid a single global Medicaid budget that grows at a fixed rate, while allowing for some flexibility in the services that a plan provides. The CCOs are accountable for performance-based metrics and quality standards that align with industry standards, new systems of governance, and payment incentives that reward improved health outcomes.

House Bill 4107 prohibits the Oregon Health Authority (OHA) from retroactively changing the terms of a CCO contract and/or the global budget unless it has notified the CCO of the proposed amendment (to an existing contract or a contract pending renewal) at least 60 days in advance. Additionally, the measure directs that a contract amendment may only be applied retroactively if: 1) the Centers for Medicare and Medicaid (CMS) notify OHA in writing that the amendment is a condition for approval of the contract by CMS; or 2) if the amendment does not result in a claim by OHA for the recovery of amounts paid by OHA to a CCO prior to the effective date of the amendment. These changes apply to contracts between OHA and CCOs that are entered into or amended and restated on or after January 1, 2016. The measure does not apply to contract amendments signed before, on or after January 1, 2016, that result in a claim by OHA for the recovery of amounts paid by OHA to a CCO for services provided by the CCO prior to January 1, 2016.

Effective date: March 29, 2016

House Bill 4124

Modifying access to prescription monitoring information

Oregon's rate of non-medical use of prescription pain relievers ranks second highest in the nation; almost one out of four Oregonians having received a prescription for an opioid medication in 2013. According to the Oregon Public Health Division, there were 154 deaths from opioid overdoses in 2014. Currently, front line emergency room physicians or primary care offices provide safe and effective pain treatment, however they are unable to access the Oregon Prescription Drug Monitoring Program (PDMP) which can be a vital and valuable tool for patients managing prescriptions.

House Bill 4124 requires the Oregon Health Authority (OHA) to modify the PDMP to allow authorized practitioners or pharmacists and their designees to access PDMP information through a health information technology system, while ensuring compliance with privacy and security requirements. Additionally, the measure permits pharmacists and other specified health professionals to prescribe and dispense one-dose naloxone to individuals or family members who have completed the appropriate training.

Effective date: April 4, 2016

Senate Bill 1503

Maintaining reimbursement parity for physician assistants and nurse practitioners

In 2009, several insurance companies decreased reimbursement rates for mental health services that were being provided by non-physician providers. At the same time,

nurse practitioners and physician assistants in primary care began receiving reduced reimbursement. In response, House Bill 2902 (2013) was enacted to require insurers to reimburse certified nurse practitioners and licensed physician assistants at the same rate as physicians for the same services, according to the customary and usual fee for physicians in the area served, and prohibited insurers from negotiating different rates with physicians and nurse practitioners. These provisions were scheduled to be repealed on January 1, 2018. House Bill 2902 also created a 13-member Task Force on Primary and Mental Health Care Reimbursement to evaluate payment reform and alternative payment methodologies.

Senate Bill 1503 lifts the sunset date to maintain reimbursement parity and requires the Oregon Health Policy Board and the Department of Consumer and Business Services to collect data and report on implementation to the Legislative Assembly by January 31, 2017.

Effective date: January 1, 2017

Senate Bill 1504

Physical Therapy Licensure Compact

Interstate compacts are voluntary arrangements between two or more states designed to address a common issue that is memorialized by the enactment of identical or nearly identical statutory language in each participating state. Regulatory entities vary from state to state and the use of an interstate compact can improve the exchange of information about licensing, investigations and disciplinary actions.

Senate Bill 1504 enacts the interstate Physical Therapy Licensure Compact (the Compact), which permits Oregon's Physical

Therapist Licensing Board (Board) to disclose specified information to the Physical Therapy Compact Commission. The equivalent regulatory body of each participating state that has enacted the Compact, likewise shares specified information with the Compact Commission. Senate Bill 1504 also allows the Board to establish an account to meet financial obligations imposed by the Compact, and continuously appropriates moneys from the account to the Board for specified purposes.

Effective date: March 3, 2016

Senate Bill 1514

Modification of Charitable Prescription Drug Program

The Charitable Prescription Drug Program provides an opportunity for uninsured Oregonians to access prescription drugs. The program operates by accepting surplus drugs primarily from long-term care pharmacies and donating them to charitable pharmacies that serve vulnerable persons. The surplus medications typically come in the form of large blister cards which are then repackaged by the charitable pharmacy into regular patient vials before being dispensed.

Senate Bill 1514 permits a drug outlet participating in the Charitable Prescription Drug Program to repackage certain donated prescription drugs for distribution by other program participants. The bill also requires the drug outlet to maintain a separate inventory of donated prescription drugs that have been received and transferred to another drug outlet and it limits the distribution of the donated prescription drug from the drug outlet to another drug outlet to an individual with a prescription.

Effective date: March 3, 2016

LEGISLATION NOT ENACTED

Senate Bill 1505

Strengthening regulation of pharmacy benefit managers

A pharmacy benefit manager (PBM) is a third-party administrator of prescription drug programs, primarily responsible for processing and paying prescription drug claims. Currently, PBMs are required to register with the Department of Consumer and Business Services (DCBS), have requirements and limitations on their auditing function, and have specific requirements on their drug lists for which maximum allowable costs are established.

Senate Bill 1505 would have expanded DCBS's regulatory enforcement authority with regard to PBMs.

Senate Bill 1531

Coordinated Care Organizations (CCOs) reconciliation

The coordinated care model was implemented in Oregon in the form of Coordinated Care Organizations (CCOs) in 2012. A CCO is a network of all types of health care providers (physical health care, addictions and mental health care, and sometimes dental care providers) who have agreed to work together in their local communities to serve people who are covered by the Oregon Health Plan (OHP-Medicaid). CCOs are focused on prevention and helping individuals manage chronic conditions, like diabetes. Currently,

there are 16 CCOs operating in communities around Oregon.

Senate Bill 1531 would have made several major changes to requirements regarding CCO contracts, establishing the global budgets and other required services. A few of the key components of the bill directed the Oregon Health Authority (OHA) to:

1. Make certain financial and health care utilization data publicly available by July 1 of each calendar year;
2. Provide each CCO with specific requirements and outcomes that must be satisfied in order to qualify for incentive payments by October 1 of each calendar year;
3. Seek approval from the Centers for Medicare and Medicaid Services (CMS) for complying with the provisions of the measure;
4. Maintain a log of certain requests for records related to the establishment of global budgets and make the log available to the public; and,
5. Upload to OHA's website, in a conspicuous location, all written communications concerning CCOs exchanged between OHA and CMS no later than 24 hours after OHA sent or received the communication.

Senate Bill 1552

Updating Oregon's advance directive form

The Oregon advance directive form was developed in 1993 and was the first of its kind in the nation. An advance directive allows a person to express treatment preferences and instructions to be used in the event that they are unable to communicate. It permits the appointment of another person to carry out their wishes and make health care decisions on their behalf.

Since its inception, the advance directive form has not been modified in any way. Oregon's form has not been modified since its creation. A work group met during the 2015 interim to update the form and examine ways to provide meaningful information about health care choices. Senate Bill 1552 was the result.

Senate Bill 1552 would have created a committee within the Oregon Health Authority to revise the directions on the care portion of the advance directive form; updated and streamlined the appointment of a health care representative; and eased witness requirements.

Senate Bill 1559

Licensure of retail sales of tobacco products

According to "License to Kill?: Tobacco Retailer Licensing as an Effective Enforcement Tool" published in 2010 by the Tobacco Control Legal Consortium, a tobacco retailer licensing program serves many governmental purposes. First, it assists government identification of all businesses selling tobacco to consumers in a community or state, which in turn helps the government enforce existing retailer laws. Second, through conditions imposed on the licensee, licensing schemes provide governments with better control over where tobacco can be sold and what kinds of businesses can sell tobacco products, and help ensure responsible retailing. Finally, licensing provides government with an efficient enforcement mechanism to ensure compliance with other applicable laws: if a retailer evades taxes, sells to minors or violates other tobacco control laws, a license may be suspended or revoked in addition to (or in lieu of) enforcing the underlying violation.

Senate Bill 1559 would have required qualified entities that sold tobacco products or inhalant delivery systems to be licensed by the Department of Revenue (DOR) beginning January 1, 2017. The measure would have also provided education, outreach and inspections by the Oregon Health Authority (OHA), authorized DOR to set fees to cover its and the Oregon Health Authority's costs and established civil penalties for certain violations.

Senate Bill 1568

Maintaining prohibitions against discrimination in state-regulated health benefit plans

The Affordable Care Act (ACA) prohibits discrimination based on age, expected length of life, present or predicted disability, degree of medical dependency, or quality of life in health benefit plans offered through state exchanges or in the implementation of benefit design. States may apply with the U.S. Department of Health and Human Services to waive these protections; they are scheduled to expire January 1, 2017. Senate Bill 1568 would have maintained the ACA's antidiscrimination provisions in Oregon to ensure that Oregon Health Plan enrollees and those enrolled in state-regulated private insurance plans received the same protections.

Human Services and Housing

House Bill 4042

Reestablishing a limited general assistance program

House Bill 4042 establishes a general assistance project (GA project) to serve no more than 200 participants at any one time who are homeless and enrolled in a medical assistance program, who have a disability that would qualify them for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits. GA project assistance may be used for housing, personal incidentals or assistance applying for SSI or SSDI. Once a participant receives SSI or SSDI benefits, the assistance provided by the GA project is recovered and participation ceases.

A general assistance program existed previously in Oregon but was defunded and closed as of September 30, 2005. It provided flexible benefits to participants who met impairment and financial eligibility criteria, and who qualified and were applying for federal disability benefits. Assistance included cash, Oregon Health Plan Plus eligibility and case management to help recipients obtain federal disability benefits.

Effective date: April 4, 2016

House Bill 4080

Creating the Child Foster Care Advisory Commission

In 2014, over 11,443 children in Oregon spent at least one day in foster care, with an average of 7,811 children in foster care on any given day. From the fall of 2015 through the 2016 legislative session, the Department of Human Services' (DHS) oversight capacity - its ability to regulate,

inspect, investigate and take enforcement action on behalf of foster children – was called into question and subject to intense scrutiny. (See Senate Bill 1515 below.)

House Bill 4080 establishes the Child Foster Care Advisory Commission to advise, study and report to the Governor and DHS concerning the foster care system, and to recommend legislation.

Effective date: March 29, 2016

House Bill 4143

Changes affecting residential rentals

House Bill 4143 lengthens required notice periods for rent increases to 90 days in the case of month-to-month tenancies. The bill also prohibits landlords from raising the rent during the first year of a tenant's occupation. House Bill 4143 also allows for increased fines associated with tenants who smoke in rental units where it is prohibited.

Under prior Oregon law, rent could not be increased without a 30-day written notice in the case of a month-to-month tenancy and there were no restrictions on when a landlord could increase the rent during the first year of tenancy.

Effective date: March 15, 2016

Senate Bill 1515

Strengthening regulation of child foster care entities

In 2012, the Oregon Department of Justice (DOJ) began to investigate one Mary Ayala, also called Mary Holden, for financial mismanagement of a nonprofit foster care provider called Give Us This Day. In the fall

of 2015, just before DOJ filed a formal complaint against Ms. Ayala, it came to light that the Department of Human Services (DHS) had received numerous reports against Give Us This Day going back more than a dozen years, that included children being without food and bedding, accusations of sexual and other serious forms of abuse, and inappropriate use of force. DHS was criticized for failing to investigate adequately, for continuing to work with Ms. Ayala and for continuing to refer children into the care of Give Us This Day.

There are thousands of children in the state's care, with varying needs. Children in the state's care are arguably the most vulnerable by definition. Give Us This Day received some of the most acute. The investigation of Ms. Ayala's conduct fueled discussion about whether the state invested enough to ensure that DHS had the capacity to regulate and oversee provider facilities. A number of DHS senior personnel were replaced; the Governor ordered a comprehensive review by an independent consultant and an external review board; and Senate Bill 1515 was developed and introduced.

Senate Bill 1515 strengthens the Department of Human Services' authority to license, regulate, inspect, investigate and take immediate enforcement action against entities that risk a child's health, safety or welfare. It authorizes certain information to be shared between state agencies about providers; authorizes official misconduct charges for certain agency failures to act; requires minimum regulatory staffing to be maintained; authorizes civil penalties up to \$500 for certain violations; imposes both periodic and event-based reporting requirements; and protects those who report abuse in good faith from retaliation.

Effective date: April 4, 2016

Senate Bill 1533

Modifying Oregon's ban on inclusionary zoning

The need for affordable housing has reached critical levels in Oregon and elsewhere. Most other states permit local jurisdictions to engage in inclusionary zoning practices to encourage the development of affordable housing. Inclusionary zoning, also called inclusionary housing, refers to land-use regulations that direct a certain amount of housing development be made available to people of low and moderate incomes. Oregon law currently prohibits local governments from imposing regulations or conditions on residential developments that have the effect of setting the sales price, or of designating a certain class of individuals as purchasers.

Senate Bill 1533 represents a negotiated agreement between a number of stakeholders intended to achieve a balance of burdens and benefits with the goal of increasing the amount of affordable housing. First it extends Oregon's ban on inclusionary zoning practices to include regulations affecting residential rentals, but then it carves out an exception for either the sale or rent of new multifamily structures. This permits local governments to effectively set the sales or rental price, or to designate sale or rent to a particular class or group of people, but only for new multifamily structures of 20 units or more, so long as no more than 20 percent of the units are required to be made available at below-market rates and so long as certain incentives, or payment in lieu of incentives, are provided to developers as specified in the measure. Local governments that choose to practice inclusionary zoning will also be required to use only objective standards and procedures to regulate affordable housing

developments that do not cause unreasonable cost or delay, with certain large jurisdictions and designated historic areas excepted. They may also choose to provide for alternate, voluntary processes that involve subjective standards, as described in the measure.

Secondly, the measure maintains a general prohibition in state law that bars local governments from imposing new construction taxes or increasing existing construction taxes on improvements to real property after May 1, 2007 (established by Senate Bill 1036 in 2007), that was scheduled to be repealed in 2018. The measure then provides for the collection of specific construction taxes by local governments on both residential and commercial/industrial improvements, for deposit into their respective general funds. After recuperation of capped administrative costs, revenues are to be distributed as follows, depending on the source: from tax collected on residential improvements, 50 percent shall fund developer incentives, 15 percent will go to Oregon Housing and Community Services and 35 percent will go to local affordable housing programs; from tax collected on commercial/industrial improvements, 50 percent must be allocated to local affordable housing programs.

Effective date: June 2, 2016

Senate Bill 1582

Establishing the Local Innovation and Fast Track Housing Program (LIFT)

The Oregon Legislative Assembly approved \$40 million general obligation Article XI-Q bonds in 2015 for affordable housing, but it did not establish any parameters. House Bill 1582 creates the Local Innovation and Fast Track Housing Program (LIFT), developed

by Oregon Housing and Community Services (OHCS) and the Housing Stability Council (the Council), and its subcommittees, to structure the use and allocation of these previously approved funds.

Senate Bill 1582 requires the LIFT program to be developed and implemented by OHCS and the Council, to increase state-owned affordable housing that may be purchased or rented by low-income households. It directs OHCS to obtain the advice and consent of the Council on certain implementation and programmatic matters and sets limits on the state's legal interests in qualified properties. It also requires OHCS to report regularly to the Council, and for three consecutive years to the Legislative Assembly, starting February 1, 2017.

Effective date: March 15, 2016

Insurance

Senate Bill 1591

Complaints filed against insurers

The Department of Consumer and Business Services (DCBS) is the regulatory authority for insurance carriers doing business in Oregon. The Division of Finance and Regulation, which is comprised of what used to be two separate divisions (the Insurance Division and the Division of Finance and Corporate Securities), is tasked with protecting consumers and with regulating insurance, depository institutions, trust companies, securities, and consumer financial products and services. Under current law, DCBS is designated to receive complaints against persons and entities regulated by the Insurance Code and to maintain records of such complaints.

Senate Bill 1591 specifies that any person may request information about complaints that DCBS has received concerning a particular insurer regarding unfair claim settlement practices. Upon receiving a request, DCBS is directed to provide information on any such complaints after redacting any personal identifying information.

Effective date: July 1, 2016

Judiciary

House Bill 4066

Regulating drones

Unmanned aircraft systems or UAS, referred to as “drones,” are unmanned flying machines that may be as large as a small aircraft or the size of a small bird. In 2013, the Legislative Assembly enacted House Bill 2710, to provide guidance on the use of UAS. It restricts law enforcement use unless they have a warrant or consent, or the use is for search and rescue or emergency operations. House Bill 2710 also created a civil right of action for individuals to sue for UAS operation over their property without their permission. This private right of action was modified in 2015 by House Bill 2354, which also substituted “unmanned aircraft systems” for “drones” throughout state law to be consistent with federal law.

House Bill 4066 continues to modify regulation of unmanned aircraft systems. It prohibits weaponizing UAS outright and creates a new violation for interfering with the flight of another aircraft. It also requires public bodies to develop policies and procedures to safeguard information gathered from UAS. Finally, the measure allows flights over private property by UAS authorized by the Federal Aviation Administration and creates a violation for UAS use over critical infrastructure, such as a power station, chemical plant, dam or prison, without advance permission.

Effective date: March 29, 2016

House Bill 4067

Expanding protections for whistleblowers

Oregon’s whistleblower statute, ORS 659A.199, makes it an unlawful

employment practice for an employer to retaliate against an employee for reporting what they believe might be a violation of law by the employer.

House Bill 4067 creates an affirmative defense for whistleblowers against criminal or civil liability resulting from their disclosure of information about an employer. The affirmative defense is available to employees of public bodies and to employees of nonprofits that receive public funding if the information disclosed was accessed lawfully and if allegations against other employees are related to the course and scope of employment. The defense is not available if the disclosed information is contained in a commercial exclusive negotiation agreement or in a nondisclosure agreement with a public or nonprofit employer, unless the information in the agreement is related to employment. The measure also requires public and nonprofit employers to develop policies concerning employee rights to be delivered to each employee.

Effective date: January 1, 2017

House Bill 4074

Clarifying access to juvenile records and hearings for juvenile sex offenders

During the 2015 legislative session, House Bill 2320 was enacted to provide a hearing to sex offenders within the jurisdiction of the juvenile court to determine whether they would be required to report as sex offenders. The measure also amended sex offender reporting requirements to apply to juveniles who were ordered to report following the new hearing. However, the language had an unintended result: it negated registration requirements for individuals adjudicated

prior to the effective date of House Bill 2320.

House Bill 4074 corrects the error from House Bill 2320, requiring all juveniles to have a hearing (or to register as sex offenders if the hearing is waived), and provides further guidance on the conduct of such hearings.

House Bill 4074 also clarifies access to juvenile court records generally, for certain persons and entities not otherwise authorized, by requiring an explanatory affidavit to accompany their request. The measure sets forth the specific content of the affidavit; establishes a process the court must follow if the affidavit is found to be complete; requires the issuance of a protective order; and reiterates the court's authority to impose conditions or limitations on access.

Effective date: April 4, 2016

House Bill 4075

Creating a school safety tip line

In 2014, House Bill 4087 created the Oregon Task Force on School Safety (the Task Force), composed of first responders, school administrators, teachers, and policy advisors on public safety, to examine school safety and incident response models and the appropriateness of statewide standardization. The Task Force recommended establishing a statewide tip line for reports of threats to student safety.

House Bill 4075 establishes that tip line and repeals a tip line administered by the Department of Justice. It appropriates \$1 million for implementation and requires a line capable of receiving telephone calls, text messages or electronic communications

via the Internet. It also authorizes the Oregon State Police to develop rules governing how tips are processed and relayed to others, while protecting the user's identity.

Effective date: March 29, 2016

House Bill 4082

Modifying the crime of promoting prostitution

Prior to enactment of House Bill 4082, a person committed the crime of promoting prostitution if they knowingly owned or maintained a place of prostitution; induced or caused another to engage in prostitution or remain in a place of prostitution; or received or agreed to receive money or property derived from prostitution (other than compensation to the prostitute). Promoting prostitution is a Class C felony.

House Bill 4082 adds new language to the description of the crime of promoting prostitution to include receiving or agreeing to receive goods, services or something else of value that is derived from prostitution. The change was sought to capture the conduct of persons who exchanged things other than money or property.

Effective date: January 1, 2017

House Bill 4093

Creating a funding stream for courthouse improvements

The Oregon Courthouse Capital Construction and Improvement Fund was established in 2013 for improvements to courthouses with significant structural defects that present safety risks. The State

Treasurer may issue up to \$15 million in Article XI-Q bonds for these projects, subject to the approval of the Chief Justice of the Oregon Supreme Court and the Department of Administrative Services. Agreements between counties and the state for courthouse projects may require counties to contribute at least 50 percent of the total estimated cost of the project. Projects to repair or replace courthouses have been approved in Multnomah, Jefferson and Tillamook counties.

House Bill 4093 allows courts to impose a surcharge of up to \$5 on fines for parking violations and traffic offenses to pay capital costs or debt payments for courthouse projects that are funded in the state budget. The revenue from the surcharge accrues to the county and is dedicated to the courthouse project.

Effective Date: March 29, 2016

House Bill 4127

Statewide policy regarding marriage

In 2015, the United States Supreme Court ruled that state bans against same-sex marriage were unconstitutional, thus guaranteeing the right to marry to all couples, whether opposite-sex or same-sex, based on the Fourteenth Amendment to the United States Constitution.

House Bill 4127 articulates Oregon's policy to extend any privilege, immunity, right, benefit or responsibility conferred by law upon married persons of the opposite sex, to married persons of the same sex. It also changes the language in state statutes concerning marriage to make them gender-neutral.

Effective date: March 14, 2016

House Bill 4128

Addressing notario fraud

An immigration consultant is someone who gives advice on an immigration matter. Oregon prohibits a person from acting as an immigration consultant without a license to practice law. In several Latin American countries, a "notario," or notary, is a person who acts in a capacity similar to an attorney. Confusion over these terms has resulted in individuals thinking that the notario is qualified to act as an immigration consultant or attorney, and in some cases, the notario provides immigration consultant services knowing it is prohibited. These activities have resulted in serious harm, including monetary loss, loss of irreplaceable documents, loss of eligibility for immigration benefits and the filing of false or frivolous immigration applications.

House Bill 4128 does several things to prevent this fraud. First, it expands the crime of obstructing governmental or judicial administration to include acting as a notary public or an immigration consultant without authorization and with the intent to defraud. It also expands the crime of theft by extortion (renamed simply "extortion") to include compelling or inducing a person to refrain from reporting unlawful conduct. In addition, it includes reporting a person's immigration status as one way to induce or compel a victim of extortion. House Bill 4128 also establishes a number of restrictions and requirements on notary publics and authorizes the Secretary of State to deny, revoke, suspend or impose conditions on notary publics that commit certain acts.

Effective date: January 1, 2017

Senate Bill 1554

Revised Uniform Fiduciary Access to Digital Assets Act

A September 2014 Pew Research poll found that 81 percent of adult Americans use the internet or email at least occasionally, and 52 percent of online adults use multiple social media sites. Prior to passage of Senate Bill 1554, Oregon laws did not address what happens to digital data after the death of a user.

Senate Bill 1554 enacts the Revised Uniform Fiduciary Access to Digital Assets Act. It allows a fiduciary, such as a personal representative, trustee or conservator, to access certain digital content within certain limits. It permits entities that hold electronic data to allow users to specify their wishes in the event they become inactive or when the entity receives a request for information. (If a user specifies, that trumps all other instructions, including a will.) The measure also permits fiduciaries to obtain a catalogue of digital communications, and sets forth a number of protocols for them, to cover a variety of situations, such as: when users consent to disclosure, or refuse, or fail to specify; or when disclosure has been ordered by a court.

Effective date: January 1, 2017

Senate Bill 1567

Expanding the crime of criminal impersonation

Oregon criminalizes the impersonation of public servants or peace officers when it is done in order to “obtain a benefit, to injure or defraud another or to facilitate an unlawful activity” (ORS 162.365). Oregon

also prohibits posing as another person for financial gain or advantage.

Senate Bill 1567 makes it a Class A misdemeanor to impersonate an individual with the intent to injure them, without their consent, or in a communication that deceives a third party into believing they are communicating with the individual. It also creates a private cause of action for victims and clarifies the crime of impersonating a public servant.

Effective date: January 1, 2017

Senate Bill 1571

Processing sexual assault forensic evidence kits

Sexual assault forensic evidence kits are used by qualified medical personnel to properly collect biological evidence from victims, through a sometimes lengthy and often invasive physical examination. After collection, the kits are turned over to law enforcement and sent to the Oregon State Police (OSP) for testing. Kits are not processed as a routine matter. According to an inventory completed by OSP in September of 2015, there are approximately 5,652 unprocessed sexual assault forensic evidence kits in Oregon. Processing these kits could assist in identifying suspects and in prosecuting sex crimes.

Senate Bill 1571 requires OSP to adopt rules for processing untested kits and to test all kits except those that are anonymous. It appropriates \$1,500,000 to OSP’s Forensic Division to that end and requires OSP to enter test results into the Combined DNA Index System by July 1, 2018. The measure further requires every law enforcement agency to implement procedures regarding the collection, testing, retention and

destruction of sexual assault forensic kits, to include: receipt of kits from medical facilities within seven days; forwarding kits to OSP for testing within 14 days; and retaining all kits for at least 60 years. Law enforcement agencies must also adopt procedures governing communications with victims, and designate one person within each agency to receive inquiries regarding kits and to be the agency's liaison with OSP.

Finally, Senate Bill 1571 creates a Task Force on the Testing of Sexual Assault Forensic Evidence Kits to examine the process for gathering and testing sexual assault forensic evidence kits, pursue grants and funding to help offset costs associated with same, and report to the Legislative Assembly by December 1, 2018.

Effective date: March 29, 2016

Senate Bill 1600

Lifting the statute of limitations on first degree sex crimes

Prior to 2015, Oregon allowed six years for criminal prosecution of a sex crime. In the 2015 session, House Bill 2317 doubled the statute of limitations on rape in the first degree, sodomy in the first degree, sexual penetration in the first degree and sex abuse in the first degree. During the 2015 interim, a small work group discussed what further steps could be taken, if any, and Senate Bill 1600 is the result.

Senate Bill 1600 lifts the statute of limitations on first degree sex crimes when new, specific corroborating evidence comes to light after the current 12-year statute of limitations has expired. The new corroborating evidence must be: physical evidence other than DNA, a confession, corroborating statements made by the victim

close in time to the alleged crime or statements by another victim alleging another crime of the same or similar character.

Effective date: January 1, 2017

LEGISLATION NOT ENACTED

House Bill 4073

Solemnizing marriages

Oregon currently only allows marriages to be solemnized by a judicial officer, a county clerk, a religious organization or congregation, or an authorized clergy person of any religious congregation or organization. There are no provisions in Oregon law for a secular organization or officiant to solemnize marriages.

House Bill 4073 would have authorized secular organizations, a celebrant or officiant of any secular organization and current members of the Legislative Assembly to solemnize marriages.

House Bill 4087

Protecting the identity of law enforcement personnel

In January of 2016, a loosely organized group of armed individuals took over the Malheur National Wildlife Refuge in eastern Oregon. Law enforcement officers responding to the incident received threats against their lives and families; and an Oregon State Police officer who shot and killed one of the suspects was particularly, aggressively targeted.

House Bill 4087 proposed an avenue to temporarily delay the disclosure of officers' personal information. It would have required a court to find a credible, present threat of danger to the life or family of the officer based on an *in camera* review of evidence, and delay would have been permitted for up to 90 days (but could be extended if the threat persisted). The measure also provided for the disclosure or withholding of an officer's name when a civil suit was filed.

House Bill 4123

Allowing inmates to perform community service to satisfy financial obligations

House Bill 4123 would have permitted the State Board of Parole and Post-Prison Supervision (the Board) to establish a program to allow individuals incarcerated in a correctional facility and on active parole or post-prison supervision to earn a waiver of delinquent fines or debts through community service.

The measure provided parameters for the programs and waiver of fines. Before entering the program, the Board was required to find that the delinquent fines or debts were a barrier to the person's successful reentry into the community. The person would enter into a written agreement with a community-based organization, subject to the Board's approval. The community-based organization would then become responsible for supervising, recording and notifying the Board of any community service performed, and the Board, in turn, was to notify the court to waive delinquent fines or debts. The waiver was conditioned on no new convictions within 60 months of the date of the written agreement.

House Bill 4136

Raising the cap on noneconomic damages in wrongful death cases

Oregon Revised Statute 31.710, enacted in 1987, limits the amount of noneconomic damages that may be awarded in wrongful death actions to \$500,000. If the cap were raised to account for inflation since its establishment, it would exceed \$1 million by 2016. A previous attempt to raise the cap was made in 2009, with House Bill 2802.

House Bill 4136 would have raised the cap on noneconomic damages in wrongful death cases to \$1.5 million, and would have required annual adjustments based on the percentage increase or decrease in the cost of living for the previous calendar year as reported in the U.S. Department of Labor's Consumer Price Index.

House Bill 4147

Addressing delayed background checks in firearms transactions

The transfer of any firearm or handgun requires some form of background check. These checks are completed by the Oregon State Police (OSP), which provides a unique approval number for qualifying sales or transfers. If a sale is disqualified, OSP will alert the seller or dealer that the individual may not take possession of the firearm. In some cases, OSP is not able to immediately determine whether the purchaser is qualified or disqualified. In the case of a sale through a gun dealer, if OSP is unable to verify the status of the purchaser, the dealer may deliver the handgun after three business days have lapsed.

House Bill 4147 proposed extending the time period for waiting for an approval number or disqualification from OSP to ten business days from the time of the request. After ten business days, the dealer who requested the check could release the firearm at the dealer's discretion, or could help facilitate a private transfer if the background check was completed as part of a private transfer. Additionally, the measure would have enhanced OSP's reporting requirements in cases of disqualification.

Senate Bill 1550

Recording grand juries

In Oregon circuit courts, a grand jury is a group of seven jurors who determine whether or not evidence presented by a district attorney, if taken all together, would warrant conviction by a trial jury. Grand jurors are sworn to secrecy and witnesses are put under oath. Many other states and the federal court system record all or part of grand jury proceedings. Oregon does not currently record grand jury proceedings, instead, one of the jurors takes hand-written notes.

Senate Bill 1550 would have required courts to record and preserve grand jury proceedings. The measure would have limited access to the record and prohibited defense attorneys from sharing it with clients. The measure also provided for protective orders in cases involving safety or confidentiality concerns. Senate Bill 1550 would also have allowed the record to be used for impeachment purposes, and for peace officers to testify on behalf of witnesses under age 18, witnesses unable to understand the proceedings due to a physical or developmental condition, and when the rules of evidence otherwise permitted hearsay.

Senate Bill 1552

Updating Oregon's advance directive form

The Oregon advance directive form was developed in 1993 and was the first of its kind in the nation. An advance directive allows a person to express treatment preferences and instructions to be used in the event that they are unable to communicate. It permits the appointment of another person to carry out their wishes and make health care decisions on their behalf. Since its inception, the advance directive form has not been modified in any way. Oregon's form has not been modified since its creation. A work group met during the 2015 interim to update the form and examine ways to provide meaningful information about health care choices. Senate Bill 1552 was the result.

Senate Bill 1552 would have created a committee within the Oregon Health Authority to revise the directions on the care portion of the advance directive form; updated and streamlined the appointment of a health care representative; and eased witness requirements.

Senate Bill 1553

Including "vulnerable road users" under third degree assault

Oregon law has four degrees of criminal assault. Assault in the third degree is a felony, and includes recklessly causing physical injury to another by means of a deadly or dangerous weapon; or recklessly causing serious physical injury to another under circumstances that manifest extreme indifference to the value of human life.

Senate Bill 1553, in part, would have specified that assault in the third degree included causing serious physical injury to a vulnerable road user through criminal negligence. Vulnerable users included bicyclists, road workers, persons on skates and other pedestrians.

Senate Bill 1579

Disclosing legal advice provided to state agencies

A state agency must provide notice to the public of its intent to adopt, amend or repeal any agency rule, and Oregon Revised Statutes specify what information must be contained in the notice. One existing requirement is a list of the principal documents, reports or studies that were prepared or used by the agency as it considered the need for the rule.

Senate Bill 1579 would have required state agencies to include a summary of any legal advice received by the agency regarding the validity or effect of the rule change. In addition, the measure would have required any state agency issuing a written order to include with it a summary of any legal advice regarding the order's validity or effect.

Labor and Employment

House Bill 4086

Additional unemployment insurance benefits during prolonged labor lockouts

Unemployment insurance (UI) benefits are generally available for up to 26 weeks. To receive benefits, one must be actively seeking and willing to accept employment. Individuals involved in a labor dispute are not eligible to receive unemployment benefits; however, there is an exception if the unemployment is due to a lockout. This exception was created in 2007. During the 2016 session, employees at a metals manufacturing facility in Albany were locked out of their jobs and had been since August 15, 2015; making them eligible to receive unemployment benefits if they met other qualifying criteria, but exhausting the maximum time period allowed.

House Bill 4086 allows employees in a labor lockout to receive temporary lockout benefits after exhausting their regular 26-week UI claim. The temporary benefits can be received for 26 weeks and are retroactive if claimed within 60 days after the effective date of the measure. An escape clause was included in the event the provisions of the measure failed to meet federal requirements.

Effective date: March 8, 2016

Senate Bill 1532

Increasing minimum wage

In 1938, Congress set the first national minimum wage at \$0.25 per hour. Currently, the federal minimum wage is \$7.25 per hour, unchanged since 2009. Oregon set its own minimum wage since 1911, and it has been higher than the federal rate since 1989.

In 2002, Oregon voters enacted Measure 25, raising the Oregon minimum wage to \$6.90 per hour and directing the Labor Commissioner to annually adjust it for inflation every year thereafter. Oregon's minimum wage is currently \$9.25 per hour. Approximately five percent of Oregon workers are paid the minimum wage and 61 percent earn more than \$15 per hour.

Senate Bill 1532 raises the minimum wage according to the schedule below. The three-tiered structure reflects variations in living expenses across the state as measured by the self-sufficiency standard.

	Base	Portland Metro UGB	Nonurban Counties
July 2016	\$9.75	\$9.75	\$9.50
July 2017	\$10.25	\$11.25	\$10.00
July 2018	\$10.75	\$12.00	\$10.50
July 2019	\$11.25	\$12.50	\$11.00
July 2020	\$12.00	\$13.25	\$11.50
July 2021	\$12.75	\$14.00	\$12.00
July 2022	\$13.50	\$14.75	\$12.50
Following years	CPI adjusted	Base +\$1.25	Base -\$1.00

The nonurban counties are Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa and Wheeler.

Effective date: March 2, 2016

Senate Bill 1544

Improving unemployment insurance benefits for apprentices

Senate Bill 1544 allows an apprentice attending required training to receive unemployment insurance benefits for up to

ten weeks during a benefit year, an increase from the prior five-week limit.

In addition to other eligibility criteria, an individual must be available and actively seeking employment in order to receive unemployment insurance benefits. However, existing statutes allow an individual participating in an apprenticeship program to receive unemployment benefits if the person is off the job and attending required training. (While attending required training, apprentices do not receive wages from their employer.)

As an example, apprentices in the Portland Sheet Metal Program attend six weeks of required training in each of the first two years of a five-year program. Because unemployment benefits are not paid for the first week of a claim and there was a five-week limit prior to passage of Senate Bill 1544, a sheet metal apprentice faced two weeks without wages or unemployment insurance benefits. The five-week limit also posed a problem for apprenticeship training programs that shift the schedule of consolidated training from year to year.

Effective date: March 3, 2016

Senate Bill 1587

Strengthening wage enforcement

Workers who earn low wages or are immigrants can be vulnerable to wage theft. Wage theft victims can file a complaint with the Bureau of Labor and Industries (BOLI) or, for certain violations, pursue a private civil claim, but both processes can be daunting and may require access to records in an employer's custody. Senate Bill 1587 contains a number of provisions to address wage theft.

BOLI has seven staff who investigate wage claims, a reduction from previous years. Under existing statutes, the Wage Security Fund may only be used to pay wage claims against a business that has closed its doors and does not have sufficient assets to pay its workers. Employers pay into the Wage Security Fund through a payroll tax. Senate Bill 1587 allows BOLI to access moneys in the fund to support three additional positions to investigate and enforce claims of unpaid and underpaid wages.

Employees, and those who represent them, claim they are not always given access to the payroll documents that record hours worked, piece-rate activity, wages paid and withholdings. Senate Bill 1587 requires employers to maintain time and pay records for not less than the period required by the Fair Labor Standards Act and accompanying regulations. The measure ensures that employees, upon request, may inspect and receive a certified copy of such records. The measure also expands what must be included on an itemized paystub, including hours worked, rate of pay and information that clearly identifies the employer.

One of the purposes of prevailing wage laws is to ensure that contractors and subcontractors on public works contracts maintain community-established compensation standards. Senate Bill 1587 establishes that intentionally failing to pay the prevailing wage rate or taking specified actions to avoid the cost of paying the prevailing wage is a Class C felony punishable by a maximum of five years in prison, a maximum fine of \$125,000 or both.

Effective date: April 4, 2016

LEGISLATION NOT ENACTED

[House Bill 4032](#)

Electronic access to BOLI handbooks and posters

The Technical Assistance for Employers Program at the Bureau of Labor and Industries (BOLI) helps Oregon employers comply with employment laws by offering telephone and web-based information, pamphlets, fact sheets, handbooks, posters, and general and customized seminars and workshops. Revenue from the sale of publications and posters and through attendance fees for seminars offered throughout the state help fund the program. Program staff answer an estimated 25,000 telephone inquiries from employers annually and conduct more than 120 seminars each year. The website offers free, downloadable posters for minimum wage regulations and family leave, and fact sheets on dozens of topics. They sell composite posters ranging in price from \$12.50 to \$17.50 and eight handbooks ranging in price from \$15 to \$40.

House Bill 4032 would have required BOLI to make handbooks and posters available to employers electronically at no charge.

Land Use

House Bill 4079

Affordable Housing Pilot Project

In 2015, the Oregon Housing and Community Services Department released the 2015 Report on Poverty which stated that in 2013 there were approximately 615,000 Oregonians living below the poverty line. Rural counties, including Malheur, Benton, Sherman, Josephine and Lake counties are all facing poverty rates over 20 percent. Housing costs, particularly rents, have been increasing rapidly in many markets. For more than 30 years, Oregon has relied on housing built with federal rent subsidy contracts to provide housing for seniors, people with disabilities, and families just starting out. The Section 8 “project based” program currently provides housing and rent subsidies for more than 30,000 Oregonians. Nearly 7,500 of these rental subsidies were initially placed in buildings with 30-year contracts, while the remaining subsidies are operated by Housing Authorities across the state. An estimated 2,000 units of affordable housing may expire in the 2015-2017 biennium, putting the Oregonians who live there at risk of losing their homes.

House Bill 4079 requires the Land Conservation and Development Commission (LCDC) to establish and implement an affordable housing pilot program to select two pilot projects nominated by local governments, one from a city with less than 25,000 and one from a city of more than 25,000 by July 1, 2017. The Act also provides direction to local governments where pilot projects are sited regarding duties and restrictions of the local government with respect to the project.

Effective date: March 15, 2016

Senate Bill 1517

Tillamook County wetlands and exclusive farm use land pilot project

Land use laws allow a variety of farm or forest related uses on farm and forest land. Some uses that are allowed in an exclusive farm use (EFU) area are subject to ORS 215.296, which allows a local government to determine whether the proposed use forces a significant change in accepted farm or forest practices on surrounding lands and to attach conditions to an approval to reduce the impact of the proposed use on the surrounding area. Under current law, the creation, restoration or enhancement of a wetland is an allowable use on EFU land and does not require a review by the county to consider the impact of the project on neighboring landowners.

Senate Bill 1517 allows the governing body in Tillamook County (governing body) to adopt a pilot program to establish a process for the creation, restoration or enhancement of wetlands in areas that are zoned for EFU; requires the pilot program to include a mechanism for parties to enter into a collaborative process to settle disputes; and authorizes the governing body to initiate a planning process to identify areas that are zoned for EFU and are suitable for wetland creation, restoration or enhancement and areas that are zoned for EFU that are designated for use as priority area for the maintenance of agricultural use.

Effective date: January 1, 2017

Senate Bill 1533

Modifying Oregon's ban on inclusionary zoning

The need for affordable housing has reached critical levels in Oregon and elsewhere. Most other states permit local jurisdictions to engage in inclusionary zoning practices to encourage the development of affordable housing. Inclusionary zoning, also called inclusionary housing, refers to land-use regulations that direct a certain amount of housing development be made available to people of low and moderate incomes. Oregon law currently prohibits local governments from imposing regulations or conditions on residential developments that have the effect of setting the sales price, or of designating a certain class of individuals as purchasers.

Senate Bill 1533 represents a negotiated agreement between a number of stakeholders intended to achieve a balance of burdens and benefits with the goal of increasing the amount of affordable housing. First it extends Oregon's ban on inclusionary zoning practices to include regulations affecting residential rentals, but then it carves out an exception for either the sale or rent of new multifamily structures. This permits local governments to effectively set the sales or rental price, or to designate sale or rent to a particular class or group of people, but only for new multifamily structures of 20 units or more, so long as no more than 20 percent of the units are required to be made available at below-market rates and so long as certain incentives, or payment in lieu of incentives, are provided to developers as specified in the measure. Local governments that choose to practice inclusionary zoning will also be required to use only objective standards and procedures to regulate affordable housing

developments that do not cause unreasonable cost or delay, with certain large jurisdictions and designated historic areas excepted. They may also choose to provide for alternate, voluntary processes that involve subjective standards, as described in the measure.

Secondly, the measure maintains a general prohibition in state law that bars local governments from imposing new construction taxes or increasing existing construction taxes on improvements to real property after May 1, 2007 (established by Senate Bill 1036 in 2007), that was scheduled to be repealed in 2018. The measure then provides for the collection of specific construction taxes by local governments on both residential and commercial/industrial improvements, for deposit into their respective general funds. After recuperation of capped administrative costs, revenues are to be distributed as follows, depending on the source: from tax collected on residential improvements, 50 percent shall fund developer incentives, 15 percent will go to Oregon Housing and Community Services and 35 percent will go to local affordable housing programs; from tax collected on commercial/industrial improvements, 50 percent must be allocated to local affordable housing programs.

Effective date: June 2, 2016

Senate Bill 1573

Annexation of territory into city by petition of landowners

Annexation is the process of incorporating a piece of property into the boundaries of a city, making the property and those who live there eligible for services provided by the city. This action can be initiated by the city or by the landowner. In more than 30 cities

in Oregon, city charters require a citywide vote on all annexations expanding the city boundary.

Senate Bill 1573 changes the annexation process by prohibiting a city-wide annexation vote in situations where: a city receives a petition for annexation by all affected property owners of land to be annexed; the land is inside the urban growth boundary and planned for growth in the city's adopted comprehensive plan; the land is contiguous to city limits or is separated only by a public right of way or a body of water; and the proposal conforms to all other requirements of the city's municipal code.

Effective date: March 15, 2016

Marijuana

House Bill 4014

Changes to marijuana regulation

House Bill 4014 makes a series of changes to the laws regulating the production, processing, sale, transfer or use of marijuana. These changes include repealing the two-year residency requirement, changing the classification of criminal penalties relating to specified marijuana crimes, and allowing medical marijuana growers, processors and retailers to transfer medical marijuana inventory into the recreational market when becoming an Oregon Liquor Control Commission licensee. The measure also requires the Oregon Health Authority to approve or deny medical marijuana registration applications within 30 days of receipt and to conduct a youth prevention pilot project in an urban and a rural area of the state.

In 1998, Oregon voters approved Ballot Measure 67 to allow medical use of marijuana under a specific regulatory scheme. In 2014, Oregon voters passed Measure 91 allowing for recreational use of marijuana for people 21 and older, under a different regulatory scheme. Both schemes were modified during the 2015 legislative session to include requiring licensees in the recreational system or registrants in the medical system to be Oregon residents for at least two years.

Effective date: March 3, 2016

House Bill 4060

Updating regulation of industrial hemp

Industrial hemp is an agricultural product that is subject to regulation by the Oregon Department of Agriculture (ODA) and refers

to cannabis varieties that are grown for fiber, seed, oil or as a cover crop. In 2009, the Legislative Assembly enacted Senate Bill 676 which authorized the production, possession and commerce in industrial hemp and commodities in Oregon. Current regulations require growers to direct seed hemp into outdoor fields (seed, cuttings and clones may not be started indoors or in greenhouses for transplant to fields) that are a minimum of 2.5 acres in size, but there are no requirements about the density of plants, nor are there limits on derivative products. Each noncontiguous field must be individually licensed by ODA and the cumulative THC content of the crop must be below 0.3 percent prior to harvest.

House Bill 4060 updates and clarifies provisions related to the regulation of industrial hemp by removing the field size requirement, authorizing additional propagation methods, and allowing industrial hemp and hemp seed processing at the location where the crop is grown. The bill also authorizes ODA to adopt rules to govern quality, packaging and labeling of industrial hemp seed and permits certain laboratories to test it. Finally, the measure prohibits registered handlers from selling hemp commodities or products intended for human consumption unless they have been tested by a laboratory to ensure they meet requirements established by the Oregon Health Authority.

Effective date: March 29, 2016

House Bill 4094

Cannabis businesses' access to financial services

Because marijuana is a schedule I drug under federal law, offering financial services to marijuana businesses introduces a level of

risk for financial institutions not present with other businesses customers. Even with the legalization of recreational and medical marijuana in several states, including Oregon, businesses in the marijuana industry are challenged finding financial institutions to serve their needs. Without banking services, the industry has few options but to operate on a cash-only basis, including cash payment for inventory, labor, operating expenses and state taxes. The U.S. Department of Justice and the federal Financial Crimes Enforcement Network (FinCEN) have issued guidelines for financial institutions to follow, but no explicit protection from potential criminal liability.

House Bill 4094 is intended to help Oregon's legal marijuana businesses access financial services by exempting financial institutions from certain state criminal laws. The measure also requires the Oregon Liquor Control Commission, the Oregon Health Authority and the Oregon Department of Revenue to provide financial institutions with information about licensees and permit-holders in marijuana programs to enable the institutions to comply with federal guidelines.

The measure also directs the Oregon Department of Consumer and Business Services to study the issue of access to financial services in order to develop options for the future, including banking service models that do not involve financial institutions, and report to the Legislative Assembly by January 1, 2017.

Effective date: April 4, 2016

Senate Bill 1511

Improving access to medical and recreational marijuana

Under current Oregon law, there are two separate regulatory systems through which marijuana is produced, processed, transferred and sold: the Oregon Medical Marijuana Program (OMMP) administered by the Oregon Health Authority (OHA), and marijuana that is available for adult recreational use regulated by the Oregon Liquor Control Commission (OLCC). Preliminary data shows significant migration of OMMP's medical growers, caregivers, and dispensaries over to the OLCC-run system that governs recreational marijuana, potentially leaving many of the over 77,000 OMMP patients without a grower, caregiver or dispensary.

Senate Bill 1511 has several provisions that allow greater access to both systems for registrants, OLCC license holders and the general public, including allowing OLCC licensees the ability to produce, process, transfer or sell marijuana to medical cardholders, processors and dispensaries. The measure also allows medical marijuana dispensaries currently selling to recreational users, to sell edibles and prefilled vaporizer cartridges containing cannabinoid extracts, and requires all products to be tested pursuant to OHA rule prior to sale.

Effective date: March 29, 2016

Senate Bill 1524

Relaxed exam requirement for 100 percent permanently disabled veterans

Persons with medical marijuana cards are currently required to see a physician annually to maintain their eligibility. Senate Bill 1524 creates an exception for 100 percent, permanently disabled veterans. This class of veterans is specifically those who are assigned a total and permanent disability rating due to a service-connected

disability (unable to secure or follow substantially gainful occupation) or those determined to be 100 percent permanently disabled as a result of injury or illness incurred or aggravated during active military service.

Effective date: January 1, 2017

Senate Bill 1598

Relaxing requirements for some small-scale marijuana producers and processors

Senate Bill 1598 removes the land use compatibility statement requirement for small-scale marijuana producers growing outside city limits who registered with the Oregon Health Authority prior to January 1, 2015. Senate Bill 1598 also deems marijuana a farm crop for purposes of right-to-farm laws while allowing local governments to adopt ordinances enacting reasonable regulations. The measure also allows marijuana processors to receive usable marijuana from Oregon Medical Marijuana Program patients, process it and deliver it back to the patient.

Under prior Oregon law, all applicants seeking to become licensed marijuana producers by the Oregon Liquor Control Commission (OLCC) were required to obtain a land use compatibility statement from their local government, and OLCC processors were only able to receive or distribute marijuana from other OLCC licensees.

Effective date: March 3, 2016

Senate Bill 1601

Addressing taxation issues for medical marijuana users and businesses

Senate Bill 1601 allows Oregon Medical Marijuana Program (OMMP) cardholders to purchase marijuana tax free. The measure also allows medical marijuana businesses to claim the same allowable business deductions as recreational licensees. Finally, the measure prohibits marijuana retailers from bundling products.

Under prior Oregon law, marijuana purchased from a recreational marijuana retailer by an Oregon Medical Marijuana Program (OMMP) cardholder was taxed at 17 percent. Oregon law also provided that only licensed recreational producers, processors, wholesalers and retailers could claim business deductions otherwise allowable under federal law on their state taxes. Finally, there were no provisions prohibiting licensed marijuana retailers from bundling overpriced marijuana products not taxed at 17 percent with underpriced products for the purpose of avoiding taxes.

Effective date: June 2, 2016

Transportation

Senate Bill 1527

Prepaid transportation cards

TriMet (the Tri-County Metropolitan Transportation District), a public transportation agency providing bus, light rail and commuter rail service in the Portland metropolitan area, is planning to implement an electronic fare system in 2016 similar to systems adopted by several other transit districts around the country. Other transit agencies in Oregon are considering adoption of electronic fare systems as well. Under such systems, transit users create an account and deposit funds into it, and are subsequently issued a card which they tap on a sensor as they board to deduct the price of the fare from the account. The system tracks the amount remaining in the account, allowing a user to replenish the account or replace a lost card without forfeiting the balance.

Oregon's unclaimed personal property law, known as the Uniform Disposition of Unclaimed Property Act, is administered by the Department of State Lands (DSL). Personal property is considered unclaimed when the owner cannot be identified or contacted by the holder of the asset within a specified period of time. Examples include bank accounts, uncashed payroll or dividend checks and the contents of safe deposit boxes. Once unclaimed property is transferred to DSL, it is held in trust forever within the Common School Fund, waiting to be claimed by the rightful owner, and interest earned on the aggregate amount is distributed biennially to K-12 public schools.

Senate Bill 1527 exempts prepaid transportation cards from the Uniform Disposition of Unclaimed Property Act, allowing transit agencies operating

electronic fare programs to maintain moneys in accounts that have been inactive for extended periods. Senate Bill 1527 also exempts prepaid transportation cards from provisions related to gift cards. (House Bill 2513 (2007) prohibited issuance of gift cards that diminish in face value over time or with lack of use, but there are exceptions, for example, for cards that prominently list an expiration date.)

Effective date: January 1, 2017

LEGISLATION NOT ENACTED

Senate Bill 1510

TriMet bonding authority; weight allowances for certain vehicles

TriMet (the Tri-County Metropolitan Transportation District) is the state's largest provider of public transit services. Serving the urbanized Portland metropolitan area, TriMet provides approximately 82 percent of the total number of public transit trips in Oregon, operating a fleet of more than 800 transit vehicles on 79 bus lines, five light rail lines, one commuter rail line and a special transportation system for persons with disabilities. Currently, TriMet is authorized by statute to invest in a wide variety of transportation facilities on routes where it operates, including sidewalks, roads, highways and bike paths; however, the agency is not permitted to spend funds on transportation facilities where it does not physically operate (except for the expenditure of funds that are dedicated exclusively for highway right-of-way, such as gas tax revenues).

The agency is currently considering initiatives that would provide moneys to invest on transportation facilities throughout the Portland region. Senate Bill 1510 would have authorized TriMet to expend specified funds, such as the proceeds of general obligation bonds, or grants and contributions, on transportation facilities where it does not physically operate. The measure would have prohibited expenditures from all other funding sources on such projects, including payroll taxes.

The federal Fixing America's Surface Transportation Act, or "FAST Act," was signed into law in December 2015, becoming the first long-term federal transportation funding bill in over a decade. In addition to funding provisions, the FAST Act includes provisions that increase maximum allowable weights for trucks that include certain equipment, such as idle systems or natural gas fuel systems. Senate Bill 1510 would have increased the maximum allowable weight of vehicles that utilize idle reduction systems by 150 pounds, and would have allowed natural gas vehicles to exceed statutory weight limits by up to 2,000 pounds.

Senate Bill 1521

Authorizing employee payroll tax for transit services

Senate Bill 1521 would have authorized transit districts that already impose an excise tax on employers within their district to also impose, by ordinance, a tax on employees of employers subject to excise taxes. The employee payroll tax was to be set at 0.185 percent of wages, to be deducted and collected by the employer. Revenues from the employee tax would have been dedicated to enhancing the frequency of bus service, acquisition of buses, bus service expansion

or the maintenance and operation of buses. The measure also extended authority to assess both an employer and employee excise tax to municipal transit agencies, specifying that municipal transit agencies were not subject to the restrictions prohibiting spending of employee payroll tax revenues on bus service, acquisition and maintenance.

Oregon has nine transit systems that serve population areas of at least 50,000 residents, including: TriMet in the Portland metropolitan region; South Metro Area Regional Transit in Wilsonville; Salem Area Mass Transit (urban Marion and Polk counties); Lane Transit District (Eugene/Springfield); Rogue Valley Transportation District (Medford); City of Corvallis; Central Oregon Intergovernmental Council (Bend); Albany Transit Service; and Milton-Freewater with the Confederated Tribes of the Umatilla Indian Reservation (Walla Walla/Milton-Freewater area). In addition to these transit providers, the state has a number of rural transit districts, both city- and county-operated transit services, and some regional agencies providing transit.

While many of these providers receive varying federal and/or state funds from a number of sources, many are funded through a combination of local property taxes, local employer payroll taxes, transit fares, advertising, private funds and other sources. However, unlike other states where transit may be funded by gas taxes and/or sales taxes, neither of these revenue streams are available for transit in Oregon.

Veterans

House Joint Resolution 202

Dedicating lottery proceeds to benefit veterans

The idea of dedicating some amount of Oregon State Lottery proceeds to benefit eligible resident veterans has been around for several years in a variety of forms, including proposals for veteran-specific lottery games and amendments to the state's constitution (most recently found in House Bill 2899 and House Joint Resolution 22 in 2015, and House Bill 2086 and House Joint Resolution 29 in 2013). Other states have taken similar approaches: Iowa dedicates a portion of its lottery proceeds for veterans; Washington, Kansas, Illinois and Texas, have all developed lottery games specifically to benefit veterans; and Maryland locates particular machines that benefit veterans, where veterans congregate. Still more state legislatures continue to consider the idea, such as New York, Missouri, Vermont and Indiana.

House Joint Resolution 202 refers amendment of Article XV of the Oregon Constitution to voters so they may decide whether to dedicate 1.5 percent of the net proceeds of state lottery revenues to benefit Oregon's veterans.

Effective date: March 10, 2016

Senate Bill 1524

Relaxed exam requirement for 100 percent permanently disabled veterans

Persons with medical marijuana cards are currently required to see a physician annually to maintain their eligibility. Senate Bill 1524 creates an exception for 100 percent, permanently disabled veterans.

This class of veterans is specifically those who are assigned a total and permanent disability rating due to a service-connected disability (unable to secure or follow substantially gainful occupation) or those determined to be 100 percent permanently disabled as a result of injury or illness incurred or aggravated during active military service.

Effective date: January 1, 2017

Water

House Bill 4113

Task Force on Drought Emergency Response

In 2015, Oregon experienced severe-to-extreme drought across the entire state. Twenty-five counties received a drought declaration, more than any other year since 1992, when a statewide declaration was issued. The impacts of droughts are slow-moving and may persist long after rain and snowfall returns. The January 26, 2016, U.S. Drought Monitor showed that 74 percent of the state continues to experience moderate-to-extreme drought. These conditions persist despite above-normal snowpack and above-normal precipitation.

House Bill 4113 establishes an 11 to 15 member Task Force on Drought Emergency Responses (Task Force) who are charged with researching and evaluating potential tools and data to prepare for and respond to drought emergencies. The bill directs the Task Force to submit a report to a legislative interim committee related to natural resources no later than November 1, 2016. The bill appropriates \$25,000 to the Water Resources Department to address the expenses of the task force members and to defer a portion of the estimated additional costs of staff support to the Task Force.

Effective date: March 29, 2016

Senate Bill 1529

Residential irrigation requirements during droughts

In 2015, Oregon experienced drought conditions identified as severe-to-extreme across the entire state. Twenty-five counties were subject to drought declarations, more

than any other year since 1992, when a statewide declaration was issued. Under current law, a homeowners' association with irrigation requirements could require a homeowner to continue to irrigate despite a drought declaration.

Senate Bill 1529 prohibits the enforcement of residential irrigation requirements by a homeowners' association following a finding or declaration of existing or likely drought conditions.

Effective date: March, 29, 2016

Senate Bill 1563

Septic system low-interest loan program

A septic system is the most common method of sewage treatment for homes and businesses that are not connected to an area-wide sewage system. Over 30 percent of Oregonians rely on septic systems to treat wastewater from their homes and businesses. The Department of Environmental Quality (DEQ) regulates the siting, design, installation and ongoing operation and maintenance of septic systems. Septic systems which fail or malfunction can pollute Oregon's land and waterways with raw sewage and create public health hazards.

Senate Bill 1563 requires DEQ to award grants for developing and administering a low-interest loan program for the repair, replacement, upgrade or evaluation of residential or small business on-site septic systems. The Act appropriates \$250,000 for the biennium beginning July 1, 2015 to DEQ to administer the program and to award grants.

Effective date: March 29, 2016

LEGISLATION NOT ENACTED

[House Bill 4125](#)

*Identifying ground water contaminant areas
and landlord testing of ground water*

Approximately 23 percent of Oregonians rely on domestic or private wells as their primary source of drinking water. Oregon Revised Statute 448.271 requires testing of domestic well water for arsenic, nitrates and total coliform bacteria at the time of property sale or exchange. The seller is required to provide test results to the Oregon Health Authority (OHA) and the buyer within 90 days of receipt.

House Bill 4125 would have directed OHA to analyze the results of ground water tests conducted at the time of a property sale or exchange to identify areas with ground water contaminant problems and provide ground water contaminant education in those areas. The measure would also have required landlords whose properties relied on wells for drinking water to collect and test samples for arsenic, total coliform bacteria and nitrates according to a specified schedule, and to notify tenants at specified times. The landlord testing requirement did not apply to community water systems or manufactured or floating homes.